ISSUE #009
July 2025

# RED AMERICA

JOURNAL OF THE AMERICAN COMMUNIST PARTY

# RED AMERICA

Issue #009
July 2025

Publisher: American Communist Party
Website: acp.us
Email: redamerica@acp.us

ISBN: 978-1-300-04418-5

Copyright © 2025

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means without the prior permission of the publisher. The views or positions presented in articles featured in Red America do not necessarily represent the official policy or position of the American Communist Party, nor should the publication of any article be taken to mean endorsement of its content.

Cover art: Village Scene near Albany, New York by James M. Hart. This piece is in the public domain and is reproduced without copyright restrictions.

Issue number: #009
Published: July 2025

# Contents


v Message from the Chairman
*Haz Al-Din*

1 The Dual Meaning of Philosophy in Crisis
*Carlos L. Garrido*

11 The Continuation of Class Struggle by Other Means Part two: When do workers go to war?
*Alan Freeman*

35 Marxist Analysis of the Gold Standard: A Preliminary Investigation
*Eddie L. Smith*

61 Neither Washington nor Moscow? The Cowardly "Both-Sidesism" of the U.S. Left
*Jonathan Brown*

# Message from the Chairman

Haz Al-Din[1]

Dear comrades,

Over the past month, it was uncertain whether or not our country was on the precipice of a world war against Iran. It still remains to be seen what consequences will be born out of the various threats and provocations of our criminal regime. We are living in an unprecedented era of geopolitical instability, and open criminal aggression by an increasingly desperate and declining American imperialist hegemony. It is necessary to strongly take into consideration the ramifications of our criminal regime's outward aggression will have domestically, principally with respect to patriotic opponents of criminal US imperialism - including our American Communist Party.

Now more than ever, it is necessary to return to the basic writings and wisdom of our Marxist-Leninist tradition, specifically the works of Lenin on the question of what stance it is necessary for principled Marxists to take with respect to their own imperialist regime, and what domestic class contradictions are wrought out from wars of foreign imperialist aggression and chauvinism. The dynamics of the internal national contradictions at play with respect to the oppression of other nations by our own regime are especially important to bare in mind and keep in consideration. The basic wisdom of Leninism holds that the most effective means by which we can combat the imperialist designs of our

---

1. Haz Al-Din is the Executive Chairman of the American Communist Party. He is a political theorist and thought-leader for the Infrared Media Collective.

regime - is by linking up foreign anti-imperialist struggles with the mass strata of working people domestically, to concretely draw out and realize through the most advanced means of communication how their interests and position aligns.

Toward that end, we must be especially vigilant toward the opportunistic trends which are inevitably emerging amidst the breakdown and decay of the American imperialist system - principally those which, while fashioning themselves as ‘left,’ align materially with the hegemony of the criminal US regime. By this, I chiefly have in mind the latest ‘trend’ of liberal-leftism in the form of Zohran Mamdani’s New York City mayoral run. Just recently, Zohran has won the Democratic Party primary, which has created an air of excitement and momentum around his personality. It is the responsibility of principled Marxists to correctly educate the masses about why such ‘campaigns’ - following a long trend of Obama, Bernie Sanders, AOC, etc. - are unable to succeed in confronting the system, and only serve the purpose of directing the energy of young people toward the imperial hegemony.

The principal advantage of Communists over all such ‘trends’ lies in their acknowledgement of the principle of collective organization: A principle which, while not as glamorous as the various political ‘celebrity’ vanity campaigns, surely outlives and outlasts them all in practice.

# 1

# The Dual Meaning of Philosophy in Crisis

Carlos L. Garrido[1]

Why philosophy in crisis? Is this simply a hyperbolic expression, a blowing out of proportion the condition we are in, or, better yet, the condition philosophy is in? Today speaking about the crisis of something is quite popular. Could the subject of the crisis of philosophy be simply one more in a general trend of individuals who treat everything as a crisis? For the layman, a crisis is a situation of chaos, a situation where control is lost. "We are in a crisis situation" is equivalent, then, to "We have lost control."

I do not seek to employ the concept of crisis in the same manner. Crisis, for me, is not a moment where control is lost and one renounces oneself to uncertainty. Crisis, from its original Greek, *krísis,* refers to a turning point. Its root is *krinō*, which refers to a separation. A separation is a tearing apart of what was together. To speak of crisis, then, is to speak about a lost connection. It is to

---

1. Carlos L. Garrido is a Cuban American philosophy professor. He is the Director of the Midwestern Marx Institute and the Secretary of Education of the American Communist Party. He has authored many books, including *The Purity Fetish and the Crisis of Western Marxism (2023)*, *Why We Need American Marxism (2024)*, *Marxism and the Dialectical Materialist Worldview (2022)*, and the forthcoming *On Losurdo's Western Marxism (2025)* and *Hegel, Marxism, and Dialectics (2025)*. He has written for dozens of scholarly and popular publications around the world and runs various live-broadcast shows for the Midwestern Marx Institute YouTube. Subscribe to his Substack: *Philosophy in Crisis*.

speak about disconnection, about alienation. A crisis is the making foreign of something that is integral to its other.

Capitalism and Crisis for Marx

For Marx, the germ of the general crisis of capital was in the tearing apart of the moment of production and sale, in the fact that they "fall apart and can become independent of each other."[2] It was the disconnection of a more primordial direct appropriation of producers, central to the capitalist mode of production, which festers in time into the general crisis of capital. As he writes in the all-too often overlooked *Theories of Surplus Value*, "the crisis manifests the unity of the two phases that have become independent of each other. There would be no crisis without this inner unity of factors that are apparently indifferent to each other… The Crisis is precisely the phase of disturbance and interruption of the process of reproduction."[3] The 'crisis' in the crisis of capitalism, for Marx, is still understood in its etymological terms – crisis as disconnection, as separation. But this separation is not all. It is only the first component.

This is a separation that in manifesting itself retroactively demonstrates the fundamental unity which has been disrupted. In crisis we are forced to tarry with the immediate need of reconnecting, reuniting, that which has been separated. It is through the obstacle, that is, through the disconnection, that the horizon for the need for unity presents itself. As Marx writes, "the general possibility of crisis is the formal metamorphosis of capital itself, the separation, in time and space, of purchase and sale."[4] "But" he adds, "this is never the cause of the crisis."[5] What does he mean by it not being the cause? Simply that the immediate cause arises after the initial separation, that capitalist crisis is of the nature whose conditions for the possibility come from itself. Crisis does not arrive from something external imposed upon it. It comes from within it, its separation and incompleteness are a constitutive component of it.

It is only well after, when the immediate, germ, or general separation of buying and selling develops thoroughly, that the crisis is felt as crisis, that is, as a moment where unity is desperately needed. This is the moment when capitalists scramble to sell their products, when the crisis of overproduction (from the standpoint of the logic of capital) is felt, when, as Marx writes, "too

2. Karl Marx, *Theories of Surplus Value Vol. 2* (London: Lawrence and Wishard, 1969), 500.
3. Marx, *Theories of Surplus Value Vol. 2*, 500, 503.
4. Marx, *Theories of Surplus Value Vol. 2*, 515.
5. Marx, *Theories of Surplus Value Vol. 2*, 515.

much has been produced for the purpose of *enrichment*, or that too great a part of the product is intended not for consumption as revenue, but *for making money* (for accumulation): not to satisfy the personal needs of its owner, but to give him money, abstract social riches and capital, more power over the labor of others, i.e., to increase this power."[6] This is when the general separation becomes immediately felt.

Phenomenologically, for the capitalists, it is the moment of desperation when the unsold products need to be sold. For a long time, this left the capitalists frantic. Nothing in their dominant assumptions could accurately explain how this would happen. Smaller and medium sized capitalists feared at the possibility of being swallowed up by large capitals, and becoming proletarianized themselves. In the mid-20th century indebting the consumer opens a new horizon for responding to this crisis, but it is a horizon that, just like all other band aids for the crises of capital, only creates the conditions for the possibility of more intense and desperate crises later on.

Why Philosophy in Crisis?

Crisis, then, is not only a separation, but the moment when such an embryonic separation festers into one that manifests itself in our everydayness. Crisis is both the embryonic separation and the truth-event, as Alain Badiou would call it, which forces us to reckon with the need for uniting what has been separated.[7] A crisis is a predicament that ruptures the uninterrupted flow of life, but yet it comes from that flow itself.

In what sense, then, can we speak today of a philosophy in crisis? In a fundamentally dual sense: as a philosophy in crisis and a crisis in philosophy.

In one sense, we are dealing with the task of doing philosophy in a time of crisis, at a nodal point in history where, unlike Gramsci's dictum, the old world is dying, and the *new one is being born*.[8] In this sense, we are dealing with philosophy in a time of crisis.

But there is another sense, as well, for philosophy in crisis. It is that philosophy, or, better yet, the institution of philosophy, is itself in crisis. Which is to say,

---

6. Marx, *Theories of Surplus Value Vol. 2*, 533-4.

7. Alain Badiou, *Logic of Worlds: Being and Event 2*, trans. Alberto Toscano (New York: Continuum, 2009), 50.

8. Antonio Gramsci, *Prison Notebook* (New York: International Publishers, 1971), 556.

there has been a rupture of our everydayness which has shown the ultimate need to repair a separation that has occurred within philosophy itself, which is not external to it but integral to its development.

Philosophy in a Time of Crisis

Foolish is the man who cannot see that today we are in an irreversible conjuncture. Today is a time of global crisis, a transition of which is necessarily being affected on the world scale. The Columbian world order, initiated in 1492, is coming to an end. No longer is it on the historical horizon the security of the capitalist West being the center of the world. This is not simply a transition away from the capitalist mode of production, but also from the Western civilizational paradigm that has accompanied it. It is a paradigm that has been conjoined to a worldview of domination and supremacy, a worldview where an ontological hierarchy of humans was long-ago established, and where those Western souls with pale skins and capital were considered fully human, worthy of their so-called "human rights." Everyone else vacillated from being ontologically inferior to rising to this standard only insofar as they assimilated themselves within this reference point of the fully human. It was a framework that operated through an abstract logic of separation. In the Cartesian framework it made explicit its separation of mind from body, a separation from which flowed a deeper disconnection of the human from nature, their precondition for existence. In the Robinsonades that dominated bourgeois political economy and political philosophy, it made explicit its separation of the individual from the community, reducing a social-political being to a Leibnizian monad capable of operating, paradoxically, both independent of everything but yet in harmony with it.

As the *weltgeist* moves eastward, toward Asia and Africa, that is, toward China, Russia, and the resurgent pan-Africanist movements in the great mother continent, what role is philosophy to play in this transition?

Historically, philosophy and philosophies itself arose out of crisis, out of periods of transitions into new historical epochs.

It was amidst Pharoah Akhenaten's struggle against the polytheistic priests of the 14$^{th}$ century BC Egypt that the proto-scientific philosophical notion of Aten, the solar element out of which everything comes into being (similar to the Presocratics who searched for the *archê*, the primary material substance of the

world) arose. In other words, it was in a period of epochal transition that philosophy made its appearance.

Similarly, the context of the Presocratics, the first philosophers of the so-called West, is one of transition, of crisis. When the sociopolitical context is analyzed, it is clear that Miletus was riddled by a comprehensive crisis; class struggles (often bloody) between the rich and poor were accompanied by crises of legitimacy (i.e., a lack of consent in ruling institutions), the whirlwind accompanied by the emergence of money, and politically, the transition from a decrepit aristocracy to slave-democracies.

It is this backdrop that creates a sense of urgency in the elite to build the monuments to the Gods that prompted the development of the architects and philosophy – these monuments were aimed at reconquering the peoples consent to the dominant order. They were extravagant buildings aimed at regaining the people's reverence for the old Gods (and hence, the old order). As Robert Hahn shows, it was through the "unanticipated consequence of an aristocratic effort to bolster failing authority" through "monumental temple building" aimed at restoring political legitimacy and hegemony that science, philosophy, and technology develops.[9] The first philosophers were also architects. Their need to advance new technologies to satisfy the demands of the ruling elite, Hahn argued, provided an impetus for their reflection into philosophical questions.

Conjoined to this you have the development of coinage for money. As David Graeber writes, "Miletus appears to have been the first Greek city to strike its own coins."[10] Following the analysis of coinage and money as a concrete abstraction developed by Alfred Sohn-Rethel, and then by British classicist Richard Seaford, Graeber writes that the search for the primal substance that "gave rise to the endless particular stuffs that humans actually encounter in the world, [and] from which physical objects are composed," this notion, which was central to the origins of philosophy, had its corollary, and perhaps inspiration, in the physical existence of money.[11] "Gold, shaped into coins, is a material substance that is also an abstraction. It is both a lump of metal and something more than a lump of metal – it's a drachma or an obol, a unity of currency which (at least if collected in sufficient quantity, taken to the right

9. Robert Hahn, *Anaximander and the Architects: The Contributions of Egyptian and Greek Architectural Technologies to the Origins of Greek Philosophy* (New York: SUNY, 2001), 44, 41.

10. David Graeber, *Debt: The First 5,000 Years* (Brooklyn: Melville House, 2012), 245.

11. Graeber, *Debt*, 245.

place at the right time, turned over to the right person) could be exchanged for absolutely any other object whatsoever."[12] The abstract question which initiated philosophy in the west: "what is all that is?" implied in Thales's statement, "all is water," is made possible, according to Sohn-Rethel and Seaford, by the social upheaval caused in the introduction of the concrete abstraction of money to Miletus and Greek society in general.

Philosophy, then, is born of crisis; it sees the light in a transition period (from the 6th to the 4th century BC) from a crumbling Greek aristocracy to the emergence of Greek democracy. It is clear, in the context of socio-economic-political disintegration and reintegration, how this revolutionary, critical form of thinking arises.

Many centuries after, Cartesianism, which marks, in many ways, the origin of the modern world in the sphere of thought, is a product of the slowly disintegrating hegemonic institutions of the church, shaken by both the birth of a new economic system and the scientific discoveries that accompanied it.

In every period of crisis humanity has traversed through in world history, new avenues of thought are always opened, new questions are asked, new answers are given. *Philosophy is, in many ways, a handmaid of crisis, the ideological midwife of new worlds*.

As people living in turbulent, crisis-ridden times, studying the origins and development of philosophy's role in periods of crisis is of tremendous importance. It leads us to understand that there is a role philosophy must play in this transition, a role that it has played in all the other ones. Most principally, it is about negotiating, on the basis of objective developments into a new epochal predicament, what the conceptual paradigm will be – what will be the problems that define the era's concerns, what will be the notions through which such problems are approached?

In this sense, philosophy in crisis is a call to wake up, to respond to the duty that philosophy has to play in a world in transition. It is high time that philosophy listens to Marx's 11 thesis and conjoins it with his sentiments from his High School graduation essay, "Reflections of a Young Man on the Choice of a Profession." Here he tells us that

12. Graeber, *Debt*, 245.

> *But the chief guide which must direct us in the choice of a profession is the welfare of mankind and our own perfection. It should not be thought that these two interests could be in conflict, that one would have to destroy the other; on the contrary, man's nature is so constituted that he can attain his own perfection only by working for the perfection, for the good, of his fellow men.*
>
> *If he works only for himself, he may perhaps become a famous man of learning, a great sage, an excellent poet, but he can never be a perfect, truly great man.*
>
> *History calls those men the greatest who have ennobled themselves by working for the common good; experience acclaims as happiest the man who has made the greatest number of people happy; religion itself teaches us that the ideal being whom all strive to copy sacrificed himself for the sake of mankind, and who would dare to set at nought such judgments?*
>
> *If we have chosen the position in life in which we can most of all work for mankind, no burdens can bow us down, because they are sacrifices for the benefit of all; then we shall experience no petty, limited, selfish joy, but our happiness will belong to millions, our deeds will live on quietly but perpetually at work, and over our ashes will be shed the hot tears of noble people.*[13]

Philosophy must have a commitment to serve humanity, to play a part in changing a changing world towards collective, human ends. It must help us refine our thinking, steer away from dogmas, remain critical and willing to provide creative responses to new problems. It was because the proletariat, the working class, in freeing itself by necessity frees the whole of humanity, that this humanistic sentiment in Marx is concretized, given a particular subject that could carry its objective out. Or, to put it in his terms, "philosophy finds its material weapons in the proletariat, so the proletariat finds its spiritual weapons in philosophy."[14]

Today's philosophy, philosophy in times of crisis, is necessarily a *Marxist philosophy*. Jean-Paul Sartre's sentiment, that any attempt at "going beyond Marxism will be at worst only a return to pre-Marxism; at best, only the rediscovery of a thought already contained in the philosophy which one

---

13. Karl Marx, *Marx-Engels Collected Works Vol. 1* (Moscow: Progress Publishers 1975), 8-9.
14. Karl Marx, "A Contribution to the Critique of Hegel's Philosophy of Law: Introduction," *Marx-Engels Collected Works Vol. 3* (Moscow: Progress Publishers, 1975), 187.

believes he has gone beyond," is certainly correct.[15] It is because we are still faced with the same problematic which gave rise to Marxism itself – as the inheritor and highest form of philosophy in the history of philosophy – that only Marxism could live up to the task of philosophy in this period of transition. Marx's thought, as well as that of those who have developed upon his worldview (Engels, Lenin, Mao, etc.), is today more pertinent than even at the time it was developed. Marx's thought becomes even *more right* as the object of study that he critically analyzed continues to unfold in ways he, almost prophetically, anticipated many decades prior.

A Crisis in Philosophy

The second sense in which we can speak about philosophy in crisis is as a crisis in philosophy. Even a blind man could see that the spirit that animated Socrates's defense in Plato's *Apology*, that is, the public, critical, and unapologetic spirit of philosophy, is foreign to what today passes for philosophy.[16]

Philosophy today has been reduced to an academic discipline amongst others, forced to exist within the confines of the commodified logic of capital and the aristocratic-like confines of academic institutional respectability and formalism.

Today philosophers are those who write papers published by high impact factor journals behind paywalls only breached by the dozen other fellow philosophers in your highly specialized field. Today the philosopher has been reduced to a cog in a publishing machine, scrambling to publish their way to higher steps in the tenure track ladder.

This is not an attack on my fellow philosophers, it is not their fault. They have been thrown into a world where this is what philosophy is. The objective conditions of the development of the academy in modern capitalism have imposed themselves on them. Many don't see it, others see it but prefer to forget it, to acquiesce to it, and yet others see it but have a glimmer of hope that if they make it to the top of the ladder, perhaps decades down the line, they may return to the essence of philosophy.

---

15. Jean-Paul Sartre, *In Search of Method* (New York: Vintage Books, 1968), 7.

16. Carlos L. Garrido, The Real Reason why Socrates is Killed and why Class Society Must Whitewash his Death, *Midwestern Marx Institute* (08/22/2021): https://www.midwesternmarx.com/articles/the-real-reason-why-socrates-is-killed-and-why-class-society-must-whitewash-his-death-by-carlos-l-garrido

In either case, philosophy today is like a chained guard dog unable to protect the house from an intruder – its whole *raison d'etre* is disconnected from it.

It is in this sense that we can speak about a crisis in philosophy. What passes for philosophy today, this "academic" philosophy, has no resemblance whatsoever with the Socratic spirit of philosophy. It has lost its public element; it now delves in the most private of terrains – inside the walls of academic journals. In class lectures we are reduced to reporters, not philosophers. The task we are given is to teach what others have said, but for this a philosopher is not needed, a historian of ideas would do.

Today, then, we have philosophers and a "philosophy" which share nothing with the very essence of philosophy. It is a philosophy which acquiesces to the acceptable parameters of discourse, not only of its substance, but of its form too. Every academic paper shares the "academic form." Any sense of unique writing style must be muted in the background of the acceptable form. The ideas, the form of the ideas, and the space they cohabit all betray the creative, critical, and public essence of philosophy.

As Socrates once told Athenians,

> *Why do you who are a citizen of the great and mighty and wise city of Athens, care so much about laying up the greatest amount of money and honor and reputation, and so little about wisdom and truth and the greatest improvement of the soul, which you never regard or heed at all? Are you not ashamed of this?*[17]

Can't we tell ourselves, fellow philosophers, the same today?

> *Why do you, citizens of the great and mighty tradition of philosophy, care so much about impact factors and tenure ladders, and so little about the public, critical, and creative essence of philosophy. Are you not ashamed of this?*

In such a period of crisis, where the need for philosophy is felt more than ever, we encounter, precisely through the general social crisis another crisis, the

---

17. Plato, *Complete Works* (Indianapolis: Hackett, 1997), 27 or 29e.

crisis of philosophy, that is, the moment were we are faced with the need to unite what has been divided, the practice of philosophy, thus far enchained within the academy, and the essence of philosophy. It is a project of returning, to put it in Hegel's terms, actuality to philosophy – that is combining the existence of philosophy with its essence.

But if today, the philosophy which is to play this role, as we mentioned earlier, is Marxism, then the crisis of philosophy, for us in America, is nothing more than the crisis of Marxism, the divorce of the dialectical and revolutionary essence of Marxism from the current practice of Marxism, or Marxists.

This is a subject I have dedicated much of my writing to, my thoughts of which could be found in my book, *The Purity Fetish and the Crisis of Western Marxism*. To restore the dialectical and revolutionary-practical essence of Marxism, I held that we needed to recenter socialist organizations in the working class and disarticulate it from the academy-based professionals. We needed to develop, as Gramsci would say, organic intellectuals that could accurately provide us, on the basis of the dialectical materialist framework, coherence, unity, and direction in our practice and understanding.

Since then, the American Communist Party, which I have the honor of being the Secretary of Education for, has formed to try to fulfil this role.

Conclusion

When we speak about philosophy in crisis, then, we are speaking in a dual sense, as philosophy in a time of crisis, and as the absence of philosophy's role in that time, rooted in a crisis in philosophy, in a separation between the practice of philosophy and its essence. If any philosophy that is to play its historical duty is today, by necessity, Marxist philosophy, then the crisis we are dealing with is a crisis of Marxism. The existence and work of the American Communist Party is the conditions for the possibility of overcoming this crisis, of guiding America into the new world and of restoring the essence of philosophy with its existence, giving philosophy actuality again.

2

# The Continuation of Class Struggle by Other Means: Part two —When do workers go to war?

Alan Freeman[1]

In part one, I tried to explain why capitalists make war.[2] But what about the people that actually do the fighting? Faced with real violence, academic theory basically throws in the towel. It offers only fatalistic generalisations: humans are innately violent or individualistic or, in more sinister narratives, driven by

---

1. Alan Freeman is a former principal economist with the Greater London Authority and is now a research affiliate of the University of Manitoba. With Radhika Desai, he is co-director of the Geopolitical Economy Research Group. He is also co-editor of the Future of World Capitalism book series with Pluto Books, and the Geopolitical Economy book series with Manchester University Press He is a committee member of the Association for Heterodox Economics (www.hetecon.net) and a vice-chair of the World Association for Political Economy. He is a board member of Video Pool Winnipeg and the Christopher Freeman Trust, and a former board member of the Winnipeg Symphony Orchestra.

2. This is part two of two. Part one of this article, which addresses “What Causes War?” was featured in the June Issue #008 of Red America.

primal forces like the survival of the fittest. Actually, humans fight because they belong to classes. All real nations were formed by peoples of many diverse origins, containing many beliefs and practices. Only capitalists benefit by suppressing one of these at the expense of the others. The question is therefore not why humans, races, or faiths make war, but why classes do.

War is not an extension of random street violence: it is an organised business, a specific form of class struggle, in which property-owners try to extend their power over both their rivals, and all other classes. Moreover while precapitalist aristocrats took part in their own wars, capitalists normally don't: they get workers to fight for them. But workers have no inherent reason to fight each other; when they do, it is either because they submit to their masters' thirst for killing, or because they take the free decision to fight these masters to stop the killing.

All modern wars are a mix of both, which is why they unleash revolutionary forces. This makes the question historical: we must first ask not *why* classes go to war, but *when* they do. When do workers fight for others, and when do they fight for themselves? This is the central question of modern class politics. The story begins with the First International (Braunthal 1967), founded in 1864. The Communists of the Manifesto, who as Zetkin points out, were the left current within the International, wanted it to be a mass party through which workers could express their independent political interests and rise in Marx's words from a class 'in itself' to a class 'for itself'.[3]

With the growth of the mass organisations who formed the Second International in 1889, this impulse blossomed, combining two visions. One was political freedom, which the Communists saw as the first step to taking power. As the Communist Manifesto said "The first step in the revolution by the working class is to raise the proletariat to the position of ruling class to win the battle of democracy".[4] But workers also wanted social rights, giving shape to the instinct for solidarity and self-sacrifice which we already noted. These included not only trade union rights but all aspects of welfare: education, health, housing, leisure, care, material equality, and many others. The combination established a common working class purpose which came to be called 'Social Democracy'.

3. Clara Zetkin, *Zur Geschichte der Proletarischen Frauenbewegung Deutschlands* (Frankfurt am Main: Verlag Roter Stern, 1971).

4. Karl Marx, Friedrich Engels, *The Communist Manifesto* (1848), (January 2, 2023): https://www.marxists.org/archive/marx/works/download/pdf/Manifesto.pdf

However the new social democratic parties emerged, as Engels explained, in parallel with the unfinished business of creating capitalist nations and their states.

> Since the end of the Middle Ages, history has been working towards a Europe composed of large national states. Only such states are the normal political constitution of the ruling European bourgeoisie and, at the same time, an indispensable precondition for the establishment of harmonious international co-operation between peoples, without which the rule of the proletariat is impossible. To ensure international peace, all avoidable national friction must first be done away with, each people must be independent and master in their own house. With the advance of commerce, agriculture, industry and thereby of the social position of power enjoyed by the bourgeoisie, national feeling rose everywhere and partitioned and oppressed nations demanded unity and independence.[5]

History handed these new parties nations, initially giving them little say in the matter. The rise of Germany, the USA and Japan however ushered in a new and reactionary stage of history usually called the 'New Imperialism', a world-spanning battle for dominion over the territories of the globe, in which the new Socialist parties did have genuine choices: the ones they made are the key to the subsequent evolution of the working class movement.

The states within which they grew up had a new resource at their disposal: the wealth created by the labour of those outside their nations. This gave capitalism a lease of life that not all Marxists expected, as M. N. Roy further explains:

> The fact that, in spite of its general bankruptcy, European capitalism is still holding its own against the increasingly powerful attack of the proletariat in the Western countries proves that ***capitalism, as a world-domineering factor, has not yet reached such a state of decay that its immediate downfall is inevitable***. Since the time that capitalism entered into its last and most highly developed phase—imperialism—its stronghold was no longer kept confined only in the industrially advanced countries of Western Europe…

5. Friedrich Engels, *The Role of Force in History* (1887): https://marxists.architexturez.net/archive/marx/works/1887/role-force/ch01.htm

> The existence and power of the European bourgeoisie do not depend wholly and exclusively on its ability to wring the greatest amount of surplus value out of the labour power of the workers in the home countries. ***The imperial right of exploiting the vast non-European markets and peoples has supplied and still supplies it with additional*** **modus vivendi and a** ***weapon to defend its position at home*** in spite of the apparent precariousness and impossibility of maintaining its power there for any length of time. *[My emphasis:AF]*[6]

The Columbian capitalists wielded this economic weapon in a manner characteristic of their class: they bought off the mass organisations of their own workers. 'Welfarism' was not invented, as Social Democratic narratives would have it, during the Keynesian compromise of 1945; it was a conscious strategy dating back to the 1870s to buy political allegiance with the proceeds of imperial conquest. It was promoted by Bismarck in Germany, Liberalism in Britain, progressive Republicanism in the USA, and many more. Cecil Rhodes who co-founded the pro-imperialist Liberal Unionist Party and gave his name to Rhodesia, explained:

> In order to save the 40,000,000 inhabitants of the United Kingdom from a bloody civil war, we colonial statesmen must acquire new lands to settle the surplus population, to provide new markets for the goods produced in the factories and mines. The Empire, as I have always said, is a bread and butter question. If you want to avoid civil war, you must become imperialists.[7]

This nurtured a current which now defines the parties of the so-called 'left' in every Columbian nation: their political project was to meet workers' needs in *alliance* with their imperial masters. At the cost of hundreds of millions of lives, this project substituted itself for the initial goals of the Socialist founders, and became a political achievement of Victorian capital that outlived its many military defeats. It is exhibited daily in the left's complicity in Israel's assault on the Palestinian people, its enthusiasm for a war of extermination against the

---

6. M. N. Roy, *Theses on the Eastern Question* (1921), https://www.marxists.org/archive/roy/1921/roy03.htm

7. Robert Parry, " 'In a Sense Citizens, but Not Altogether Citizens...': Rhodes, Race, and the Ideology of Segregation at the Cape in the Late Nineteenth Century," *Canadian Journal of African Studies* 17 (1983): 3.

Russian people to be fought to the last Ukrainian, and the paradox that the war is most strongly opposed within the collective West not by the traditional liberal and social democratic parties of its so-called left, but by racist parties of the rising right.

## The myth of extremism

The issues, though badly understood then and worse today, can be clarified by studying the misleading concept of an ‘extreme’ left that wants to make revolution, as opposed to an ‘acceptable’ left which only wants reforms. This ‘far left’ is then branded as violent, anti-social and terrorist—though all European nation were born in revolutions, the US even providing a constitutional right to make them. Ideologues are perfectly happy with revolutions directed against workers, like the destruction of Yugoslavia or the murderous overturn of Ghaddafi. They support such actions enthusiastically and when needed, militarily. “Left” extremism is then equated to fascism, which liberal ideology brands as another kind of extremism. This is very convenient, because if all we face is a choice between two extremes, well, why not let the fascists have their way with the Communists? The whole history of twentieth-century liberalism can be summarised in this way of reasoning, so it’s important—as with the myth that capitalism is peaceable—to track the idea down to its roots.

Actually, there is nothing inherently violent about revolution: it simply means changing the state. Not a single liberal objection was raised to the dissolution of the USSR for which popular consent was neither sought nor given. though the result was, for the people of its nations, catastrophic. This was a clearly a revolutionary change. Violence comes not from revolutionaries, but those who launch wars or coups to stop them. This in turn happens when property rights are under attack; in particular when capitalists or aristocrats are either deprived of their property altogether, or as in Chile in 1974, when they are merely prevented from using it to harm others. In fact war in defence of property is the second most common type of war: civil war. The US Civil War was a classic case in point; Marx’s view (Marx and Engels 2006) was that this took on a revolutionary character when it finally made abolition its stated purpose, committing it to the liquidation of a class—the slaveocracy—by suppressing a form of property, namely the right to own people.

The real issue confronting early social democracy was, therefore, not a commitment to violence but an undertaking to defend the rights of workers against those of property, up to and including changing the state to achieve this. In the Manifesto's words the workers' movement, in order to achieve its social goals, would have to take the political step of making 'despotic inroads into capitalist property', and this required a different kind of state.

To clarify this point, it is helpful to see how European socialists actually posed it during and immediately following World War I. Luxemburg, representing the German revolutionary tendency, writes as follows:

> [according to Bernstein] a general decline of capitalism seems to be increasingly improbable ... From this theoretic stand is derived the following general conclusion about the practical work of the Social-Democracy. The latter must not direct its daily activity toward the conquest of political power, but toward the betterment of the condition of the working class, within the existing order. It must not expect to institute socialism as a result of a political and social crisis, but should build socialism by means of the progressive extension of social control and the gradual application of the principle of co-operation.
>
> Bernstein pulls away from the first of the three fundamental supports of scientific socialism. He says that capitalist development does not lead to a general economic collapse. He does not merely reject a certain form of the collapse. He rejects the very possibility of collapse.

By renouncing revolution, Luxemburg warns, Bernstein signs a letter of invitation: barbarism, please enter. Given the horrors of Nazism, Luxemburg's conclusion is hard to fault. Yet the problem is not just whether revolution is necessary or even what makes it possible: it is what allows a revolution to survive. The short-lived German Revolution of 1918 may have been the right thing to do, but it was defeated.[8]

The Bolsheviks confronted this question from the opposite direction. Nobody in Imperial Russia doubted that a revolution was coming: they had already seen two, in 1905 and February 1917. The point is that both failed because they did not deliver; the people thirsted for a revolution that could meet their needs.

---

8. Ralf Hoffrogge, *Working-Class Politics in the German Revolution: Richard Müller, the Revolutionary Shop Stewards and the Origins of the Council Movement* (Leiden: Brill, 2014).

Lenin therefore advanced two propositions. The first was that the aristocrats and capitalists at the helm of the Romanov state had become incapable of governing. The second was that Russia's working class was sufficiently developed that it could take their place. The question was how it could meet the needs of Russia's peoples.

The problem they faced was not, therefore, that of taking power but what would be done with it once taken. Russia's workers were a minority in the population. How, then, could they represent, and govern on behalf of, the majority? The Bolshevik answer was for the working class, in government, to take responsibility for the majority; this is why they constructed class alliances that included this majority, in particular the peasantry. But by the same token, the working class should give no quarter to the oppressors of this majority, who it hated, and who comprised a small minority. Lenin therefore argued, passionately and persistently, that workers, both out of power and in it, had to act in their own interests, independently of all property-owners. In *Marxism and Reformism* he writes:

> Unlike the anarchists, the Marxists recognise struggle for reforms, i.e., for measures that improve the conditions of the working people without destroying the power of the ruling class. At the same time, however, the Marxists wage a most resolute struggle against the reformists, who, directly or indirectly, restrict the aims and activities of the working class to the winning of reforms. Reformism is bourgeois deception of the workers, who, despite individual improvements, will always remain wage-slaves, as long as there is the domination of capital.[9]

Unlike Luxemburg this does not renounce the struggle for the "betterment of the condition of the working class, within the existing order": what it does say is that this must be conducted independently. From 1914 on, therefore, the Bolsheviks concentrated their fire on the war. In his 1915 pamphlet *Opportunism and the collapse of the Second International,* Lenin writes

> It is necessary and inevitable for the revolutionary struggle of the proletariat; that history, which has led us from "peaceful" capitalism to imperialist capitalism, has paved the way for this break. [Opportunism] is

9. V. I. Lenin, "Marxism and Reformism," in *Collected Works*, vol. 19 (Moscow: Progress Publishers, 1977), 372–375.

> quite ripe for an open, frequently vulgar, alliance with the bourgeoisie and the general staffs. It is this alliance that gives it great power and a monopoly of the legal press and of deceiving the masses.[10]

This brings us to the critical issue. In 1914 the parties of the Second International committed political suicide: except the Serbs and Bulgarians, every one of them joined the war on the side of their national capitalists: the International then ceased to exist.[11] This was not because of reformism; it arose from the political and economic expediency of a pact with imperial capital.

This pact was as explicit as it was comprehensive: to take the most pre-eminent example, every UK conflict was subordinated to the imperative of preserving the empire, resistance being left to the revolutionary wing of the Irish, represented by Connolly, and of the Scots, represented by McLean. A political truce was established, and all parties agreed to avoid divisive by-election contests. The Labour Party and the Trades Union Congress (TUC) declared an 'industrial truce' and supported an all-party recruitment campaign. The Treasury Agreement (1915) suspended strikes in return for arbitration and union recognition. The suffragette movement unilaterally suspended its militancy, and Christabel Pankhurst urged her followers "to do all we can to rouse the individual citizen to fight for the freedom and the independence of this country and this Empire."

Capitulation paid off. By May 1915, there were three Labour MPs in the Coalition Government with prominent right-wing labour leader Arthur Henderson in the cabinet. The Munitions of War Act (1915) brought key industries under state control and imposed government-supervised arbitration and worker-management cooperation. Massive enlistment created labour shortages in shipbuilding, driving up wages and leading to widespread entry of women into paid employment. Trade Union membership all but doubled and the Labour Party replaced the Liberals as the main opposition party.[12]

Meanwhile, 5,142,631 workers in the Allied nations, and 8,528,831 workers in the Central Powers, died fighting each other.

---

10. V. I. Lenin, *Opportunism and the Collapse of the Second International* (1915), https://www.marxists.org/archive/lenin/works/1915/dec/x01.htm

11. Alan Freeman, "Capital Acts Globally, So Should the World's Peoples?" *Valdai Discussion Club Paper*, 2022, https://valdaiclub.com/a/highlights/capital-acts-globally-so-should-the-world-s-peoples/

12. George Dangerfield, *The Strange Death of Liberal England* (Stanford, CA: Stanford University Press, 1935).

## Communism's anti-imperialist origins

To what should we attribute this travesty of the socialist ideal of the world unity of working people? The answer is once again imperialism; however we need to be precise about the mechanism, which we will return to when assessing Nazism. As is well-known, Lenin at one time attributed the capitulation to a 'labour aristocracy' of craft unions and their leaders. To be sure, the labour movement was and remains riven by divisions between craft and industrial workers, which erupted in the UK Shop Stewards movement and the CIO in the USA. However key figures in the industrial unions were just as committed to war: dockers' leader Ernest Bevin, like Reuther and Murray in the CIO, was Labour's anti-communist witchfinder-general and, as Labour's Foreign Secretary in 1945, the driving force behind NATO.

This capitulation was the opening phase of a wider corruption, financed by colonialism: the movement which European workers had built for sixty years was integrated lock, stock, and barrel into the political apparatus of the imperialist states. This project took a long time to complete, both because of resistance of the capitalists and the competition from communism. In fact the modern Socialist International, a complete and final break with the socialist tradition, was founded, at the height of the Cold War, in 1951 (Lamb and Docherty 2006).[13]

To describe its parties as 'left wing' is a travesty of reason, history and language and an insult to all who died for the working class cause. The essence of the post-1914 social democratic parties was their commitment to a pact with imperialism. Their hypocritical commitment to 'peaceful' transition disguises their opposition to *any* change that threatens the state's role as the manager of their nation's imperialism. The result is a steadfast commitment to uphold and defend the foreign policy objectives of that state; this is the true explanation of their warlike policies, their longstanding commitment to Zionism, and their frenetic Russophobia.

This is why point 8 of Lenin's conditions for admission to the International reads:

> Parties in countries whose bourgeoisie possess colonies and oppress other nations must pursue a most well-defined and clear-cut policy in respect of

13. Peter Lamb and James C. Docherty, *Historical Dictionary of Socialism*, 2nd ed. (Lanham, MD: Scarecrow Press, 2006).

> colonies and oppressed nations. Any party wishing to join the Third International must ruthlessly expose the colonial machinations of the imperialists of its "own" country, must support—in deed, not merely in word—every colonial liberation movement, demand the expulsion of its compatriot imperialists from the colonies, inculcate in the hearts of the workers of its own country an attitude of true brotherhood with the working population of the colonies and the oppressed nations, and conduct systematic agitation among the armed forces against all oppression of the colonial peoples.[14]

For the self-same reason, working class support for imperialism was limited (somewhat unsurprisingly) to the imperialist nations. Not only that, as the sheer human cost of the war took its toll, it evaporated: left antiwar currents rose throughout the imperial world. These produced a wave of mutinies, followed by open uprisings or civil wars in Germany, Austria, Hungary, Bulgaria, Turkey, Finland, Spain and beyond. Uprisings in the Entente colonies erupted throughout Africa, in India, the Middle East and not least, Ireland. Communism's rise was thus not a foreign conspiracy; it arose from the conviction, born of hard experience, that the governments responsible for the war were a mortal threat to ordinary people.

This leads to a paradox: the peoples of the USSR including its revolutionary peasants, who had mutinied in 1917 under the slogan 'Peace, Bread and Land' against a war conducted by their own imperialists, threw themselves into a civil war against White Russia and its allies, built the Red Army, and threw out the occupiers of their country. Their resistance also added the extra dimension of the clear and genuine commitment of the majority of the peasantry to the new state. In China, Korea, Vietnam and Cuba, this class, above all the poor and landless was later to prove decisive both to the defeat of imperialism and to the seizure of power. Why were so many people willing to die for socialism, and was it actually socialism they chose to die for? Was it merely a new form of nationalism, as critics from right and left alike sometimes maintain?

The answer, I suggest, is both: it corresponds to the objective fact that socialism is the best way a non-imperialist nation can defend itself against imperialism. However, the word 'socialism', just like capitalism, is used in many ways. Perhaps we should call the form that arose from the revolutions of the 20th

---

14. V. I. Lenin, "Terms of Admission into Communist International," in *Collected Works*, 4th English ed., vol. 31 (Moscow: Progress Publishers, 1965), 206–211.

Century ‘socialism with anti-imperialist characteristics’. It then means a state with sufficient control over its economy to defend the nation, and sufficient control over its capitalists to defend the people. Under these circumstances, the people will fight both to defend the nation and their own gains.

## The problem of `stages'

The question has long been obscured by the idea that socialism was not supposed to happen first in the colonial world. This was expressed in the pseudo-Marxist notion, which unfortunately also passed into Soviet orthodoxy, that history consists of ‘stages’—slavery, feudalism, and capitalism—through which a nation must pass before doing anything else. Therefore, most Marxists reasoned (some still do) socialism must start in the advanced nations.

The crux of the matter is the meaning of ‘advanced’. This loaded word carries the implication, which imperialism’s apologists exploit, that the ‘advanced’ countries are rich because their civilization—or in racist versions, their people—are superior to the ‘backward’ countries of the rest of the world. The possibility that a country has become rich by robbing the rest of the world does not enter the discourse; nor does the question posed by Gunder Frank, Amin, and other developmentalists: is a country ‘backward’ because it has yet to achieve capitalism, or because the ‘advanced’ countries have no intention of letting it join them?[15]

However, there is an objective content to the term, better expressed by the term ‘industrialised’, which has a more or less technological significance: it’s not so easy to pin down but we can have a stab at it by referring back to Engels’ description of a nation, and also by looking at the way the Soviet revolutionaries conceived of it. Essentially it signifies that technology of the country is sufficiently productive to unify its economy and meet the material needs of its people, that its agricultural surplus is big enough to feed its industrial workforce and, we might add, that it has the military capacity to defend both the people and their nation against imperialist aggression.

The problem facing the future Soviet state is that these conditions did not exist; if the revolutionaries took power, how could they bring them into existence,

---

15. André Gunder Frank, *The Development of Underdevelopment* (Massachusetts: New England Free Press, 1966). Samir Amin, *Unequal Development: An Essay on the Social Formations of Peripheral Capitalism* (New York: Monthly Review Press, 1976).

given that the capitalists had failed to do so? In the Marxism its leaders inherited, these questions were only just being posed. However, they knew their country. They had a three-way debate that continued right up to the November revolution. The Bolsheviks argued that the working class should take power but should not introduce socialism—an idea expressed in Lenin's formula of the 'Revolutionary-Democratic Dictatorship of the Proletariat and Peasantry':

> If Social-Democracy sought to make the socialist revolution its immediate aim, it would assuredly discredit itself. It is precisely such vague and hazy ideas of our "Socialists—Revolutionaries" that Social-Democracy has always combated. For this reason Social-Democracy has constantly stressed the bourgeois nature of the impending revolution in Russia and insisted on a clear line of demarcation between the democratic minimum programme and the socialist maximum programme.[16].

The Mensheviks agreed it was wrong to build socialism in Russia but for this reason shrunk from taking power. In the famous *April Theses* Lenin (1917) shifted his position, arguing that the working class, in alliance with the peasantry, must not only take power, but take over the tasks which the bourgeoisie had shown itself unable to accomplish—a position previously associated with a small minority outside the Bolsheviks, headed by Trotsky. Arguing that

> The specific feature of the present situation in Russia is that the country is **passing** from the first stage of the revolution—which, owing to the insufficient class-consciousness and organisation of the proletariat, placed power in the hands of the bourgeoisie—to its **second** stage, which must place power in the hands of the proletariat and the poorest sections of the peasants,

he sketched tasks which amounted to taking control of the economy:

> The weight of emphasis in the agrarian programme to be shifted to the Soviets of Agricultural Labourers' Deputies. Confiscation of all landed estates.

16. V. I. Lenin, *The Revolutionary-Democratic Dictatorship of the Proletariat and the Peasantry* (1905), accessed May 17, 2025, https://www.marxists.org/archive/lenin/works/1905/apr/12b.htm#fwV08E094

> Nationalisation of **all** lands in the country, the land to be disposed of by the local Soviets of Agricultural Labourers' and Peasants' Deputies. The organisation of separate Soviets of Deputies of Poor Peasants. The setting up of a model farm on each of the large estates (ranging in size from 100 to 300 dessiatines, according to local and other conditions, and to the decisions of the local bodies) under the control of the Soviets of Agricultural Labourers' Deputies and for the public account.
>
> The immediate union of all banks in the country into a single national bank, and the institution of control over it by the Soviet of Workers' Deputies.
>
> It is not our **immediate** task to "introduce" socialism, but only to bring social production and the distribution of products at once under the ***control*** of the Soviets of Workers' Deputies.[17] *[emphasis in original-AF]*

On the day when Soviet Power was established, he crossed the Rubicon, famously announcing that 'we will now proceed to establish the socialist order' and thus establishing the first and probably only mode of production to be proclaimed into existence. There was no question that this would be difficult—but there was no choice but to try. This changes the optic: it was not whether revolutions were needed for socialism to succeed, but whether socialism was needed for revolutions to succeed.

17. V. I. Lenin, "The Tasks of the Proletariat in the Present Revolution (The April Theses)," in *Collected Works*, vol. 24 (Moscow: Progress Publishers, 1964), 19–26.

## Nazism

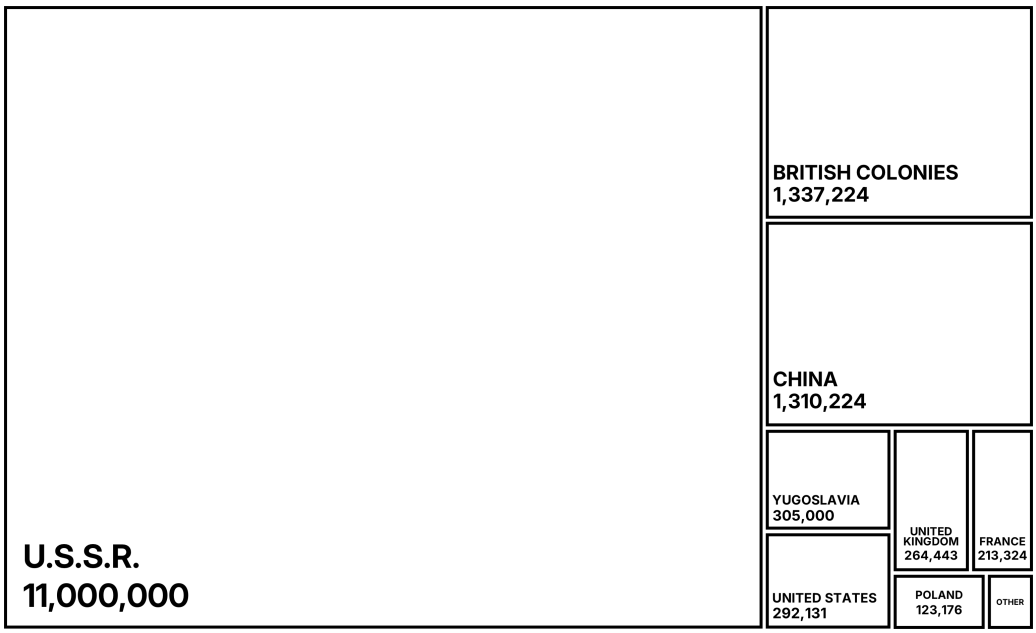
The ultimate confirmation that the Russian revolutionaries made the right call is neither economic, nor political, but human: ordinary people, who had revolted against an external war conducted by imperialist Russia, fought to the death only months later to defend the Soviet government in a civil war which took till 1922 to settle accounts with the remnants of Russia's property-owners. This on its own deserves attention which this article cannot even begin to offer: yet more spectacular, and more moving, is the defeat of Nazism at the hands of the peoples of the Soviet Union. The scale of this sacrifice, shown in Chart 6, is utterly and completely unprecedented. Battlefield Soviet deaths were three times larger than all other allied losses. They were only just under a third of the total in both World Wars. Were it not for these sacrifices, Hitler would have won. This brings us to the last two pieces of the Twentieth-Century jigsaw: what was the USSR, and what was Nazism?

To state the obvious, the Second World War was not a repeat of the First. However, two differences demand attention; first, three and a half million German workers did fight and die for their capitalists. Second, the Allied nations joined hands with a Communist country, the USSR, to defeat them.

Neither fact, I will argue, contradicts what this article has so far argued. The two questions are inextricably linked; let's start with the second. What historical circumstances led the Allied Powers to side with the very country they had spent twenty years conspiring to destroy? This leads us to revisit the time-old question of what the USSR actually was.

There is no shortage of claims, from left and right alike, that the Soviet revolution 'failed'. However, to prove this, the critics have to say what it failed to do. If the standard is how long it lasted, then the USSR did remarkably well; it kept the capitalists out of power for seventy years. In comparison, Cromwell lasted six years, after which the monarchy was restored and his followers hunted down and killed, while Napoleon was overthrown after only 26 years. Another standard is whether a revolution does what it promises; on this count, few stand up to scrutiny. To take just the one example of Liberty, the French Revolution gave way to the Terror, while slavery lasted from the US Declaration of Independence until the Civil War. Today only the most wanton propagandists can speak of the 'Free World' while keeping a straight face.

*Figure 6: Allied world war II battlefield deaths (killed, died of wounds, or died in prison)*




Source: Chmielewski (2024), author graphic

So is there another possible standard for judging a revolution? I will focus on the one that affects working people most: did it establish the *conditions* for subsequent generations to make good on its promises? Only 28 years after the Restoration wiped out Cromwell's Protectorate in 1660, England's parliament was strong enough to send its newly minted Scottish king packing, install the minor Dutch dignitary William of Orange as its first puppet monarch, and open the path to capitalism. The economic fruits of this change didn't become visible until the Industrial Revolution transformed Britain's landscape a century later. Yet it is safe to say that these fruits were a lasting testament to Cromwell's victory.

Moreover, the consequences of making revolution have to be compared with the consequences of not making it. The Austro-Hungarian reaction triumphantly suppressed the German revolution of 1848—and as a result, the infant German nation had to wait till 1870 for its birth, only to be delivered into the hands of its ultra-reactionary Prussian military, playing a large part in preparing the way for Nazism.

Finally, a critical mistake will be made if we judge the Russian revolution only by its national effects. 1917 did not just give birth to the USSR: it created a new world order. The road to colonial liberation was transformed from a rocky path to a broad highway. The 'Crowned Heads' of the old European order vanished into the dustbin of history, and their empires unceremoniously and conclusively dissolved, never to return. Notice was served on the Columbian powers that from now on, any attempt at a repeat of 1914-18 would put those responsible at immediate risk of removal.

It is in this light that we have to situate the rise of Nazism and its results. Just as the rise of the USSR can only be evaluated by its world effects, Hitler's Germany can only be properly understood as an attempt at a world response. German capital, in the aftermath of 1914-1918, faced two existential problems. It had to defend itself simultaneously against revolution at the hands of its own working class and against everyone else's imperialists.

The second problem is critical to understanding not only its horrific solution, but the enormous dangers of letting the imperialists of any nation have their way. It arose because by 1914, the imperialist powers were fighting not just to defeat each other but to exterminate each other's. Neither the victorious Europeans, nor the USA, could afford to let Germany become just another member of their club; it was far too big. They wanted to remove it from the club altogether, and convert it to an agricultural hinterland.

This idea recurs in many documents and plans; whether it was the conscious policy of any government, the prospect became a fact as a result of the Versailles negotiations for reparations and the payment of war debts.[18] The story begins with the European Allies' proposal that the USA should forgive European war debts, as was the gentlemanly convention. Not so, said Woodrow Wilson's administration: we were not a party to the war; we were a mere associate. We lent you the means to make your war and now we want our pound of flesh.

Wilson has gone down in history as the champion of peace and the League of Nations who rejected imposing excessive reparations on Germany because he

---

18. C. Paul Vincent, *The Politics of Hunger: The Allied Blockade of Germany, 1915–1919* (Athens: Ohio University Press, 1985). Ernst Gläser, *Reparations in the Postwar Period: The Failure of German Economic Resistance, 1919–1923* (Baton Rouge: Louisiana State University Press, 1998). Margaret MacMillan, *Paris 1919: Six Months That Changed the World* (New York: Random House, 2001). Sally Marks, *The Illusion of Peace: International Relations in Europe, 1918–1933* (New York: Palgrave Macmillan, 2003).

saw the political risks. This is a charitable verdict. As records, he opposed the plan for reparations in its original form because his "financial advisors are convinced that the plan lacks many elements of economic and financial soundness."[19] Less widely publicised is the insistence that the Allies should instead bear the costs because "Congress would never agree to place a United States guarantee on foreign bonds."[20]

The Europeans simply passed this burden on to the Germans, and the final settlement—to which Wilson's administration acceded—faced Germany with a ruinous debt it could not possibly pay. *De facto*, the winners proposed to ruin the losers. The international posture of German capitalists, when they decided to back Hitler, was therefore as logical as it was horrific. To avert ruin they needed to restore Germany to the club of imperialists; this, however, could only be achieved militarily. Germany, they decided, had to resume its imperial battle for *Lebensraum* and pick up where Kaiser Wilhelm was forced to leave off, resuming its Eastward expansionism, displacing the British and French from Africa and the Middle East.[21]

But in the new world order, it could only embark on such a venture if it also put paid once and for all to the threat from communism. With the foundation of the USSR, it was not enough just to defeat the communists at home; Germany had to lead an imperialist crusade to destroy their homeland.

This was why German capital entrusted the task to the National Socialist Party of Germany: the Nazis. Enemies, like occupied France, were to be crushed; those who complied, as did Vichy France, could be absorbed, with a special place reserved for Great Powers such as Italy and Japan who could be trusted to fight beside the Axis powers. In short, the Nazi solution to the problem of interimperialist rivalry was for Germany to lead the imperialists against the communist menace. This explains both Hitler's peculiar obsession with winning the UK and USA to the Nazi cause, and the suicidal gamble of invading the USSR.

The Nazis therefore coalesced around an explicitly racial formulation of Germany's imperial objectives. This was openly and clearly stated: there was

19. Arthur S. Link, ed., *The Papers of Woodrow Wilson*, vol. 55, March 10–April 7, 1919 (Princeton, NJ: Princeton University Press, 1986), 415.

20. Ibid., 200–205.

21. W. D. Smith, *The Ideological Origins of Nazi Imperialism* (Oxford: Oxford University Press, 1986).

no question that German capital could have been ‘deceived’ or ‘mistaken’. It knew what it was paying for: in Hitler’s words “The real frontier is the one that separates the Germanic world from the Slav world.”

> It is our duty to place it where we want it to be. If anyone asks where we obtain the right to extend the Germanic space to the east, we reply that, for a nation, its awareness of what it represents carries this right with it. It is success that justifies everything. The reply to such questions can only be of an empirical nature. It is inconceivable that a higher people should painfully exist on a soil too narrow for it, while amorphous masses, which contribute nothing to civilization, occupy infinite tracts of a soil that is one of the richest in the world ...
>
> We must create conditions for our people that favour its multiplication, and we must, at the same time, build a dike against the Russian flood ... Since there is no natural protection against such a flood, we must meet it with a living wall. A permanent war on the eastern front will help form a sound race of men, and will prevent us from relapsing into the softness of a Europe thrown back upon itself ...
>
> This space in Russia must always be dominated by Germans.[22]

Now, all forms of fascism share a number of essential characteristics: they divide the population on a supra-class base, notably faith or spuriously constructed racial differences; they construct and use violent extra-legal organisations to suppress their opponents; and they advocate and employ the direct force of the state unrestrained by law or the legislature to achieve their aims.

Notwithstanding, Nazism was not just ‘another fascism’. It was a world project, aimed at destroying the USSR, eliminating the Russian people, and extirpating the ideal of international workers’ solidarity from the earth by replacing the socialist heritage with a purely racial identity, binding workers and capitalists in a single corporate formation. That is why the racial project consisted not merely of elevating Germans to the status of world masters, but of constructing a fictitious Aryan master race, part of an even vaguer concept of a world alliance of races destined to rule, elastically extended to more or less anyone who could prove suitability as master race candidate by helping the Nazis exterminate the Russians.

---

22. Norman Rich, *Hitler’s War Aims: The Establishment of the New Order*, 327–329.

The project did not die, either with the defeat of Hitler, nor even with the dissolution of the USSR. As Zhukov famously remarked after the fall of Berlin: 'we have saved Europe from Fascism, and they will never forgive us'. The fundamental problem of imperialism, which all political leaders whether of the left or the right should engrave on their hearts, is that it cannot stomach new entrants. It spent fifty years trying to keep the Germans out; it will never let the Turks in; and in 1992 it launched the suicidal project of keeping the Russians out. The anti- communist and anti-Russian components of Nazism are inextricably bound together by this fact of capitalist history. It is why Russia has no lasting future without Communism, and why Communism has no future at all if it does not defend Russia.

Despite the anti-Slav rhetoric, the primary target of Nazism was clear: communists in general, and Russians in particular. The Nazis constructed extensive alliances with anti-communist and anti-Russian fascist forces among the Slav populations of Poland, Byelorussia and notably Ukraine, and vigorously employed them to conduct pogroms against Russians, non-compliant fellow Slavs, and Jews.

The war against Bolshevism cannot be divorced from the Holocaust. Europe's Jews, widely discriminated against and—until Zionism—unburdened by deep national roots, were prominent in the vanguard of working class struggles and the leadership of its revolutionary parties. The 'Jewish-Bolshevik menace' was as regular a trope in Nazi propaganda as the Jewish-banker conspiracy. As the invasion of the USSR got under way, the final solution took shape. This was prefigured by the 'Holocaust of Bullets' in Poland and Ukraine, as noted by the US-based National WWII Museum:

> Based on present-day borders, one in every four Jewish victims of the Holocaust was murdered in Ukraine.
>
> In the history of the Holocaust, the summer and fall of 1941 are especially significant because they represent a period of critical escalation. In a matter of months mobile Nazi killing units, which had begun shooting all adult male Jews during the invasion of the Soviet Union, expanded to include a genocide targeting women, children, and entire Jewish communities.
>
> Before the killing centers opened at Birkenau, Treblinka, Sobibor, Belzec, and Majdanek, more than 1.5 million Jews had already been murdered by

> the Germans, their Axis allies, and local collaborators in Ukraine, Belarus, and other USSR republics. These were the first victims of the Holocaust.
>
> They were not transported by trains to the famous killing sites in Poland, with their gas chambers and crematoria that typically characterize the Holocaust in the minds of most people. Instead, these Holocaust victims were taken from their homes, usually by foot, to the outskirts of the cities, towns, and villages where they lived and were brutally shot—face to face or in the back—often in the presence of local residents and non-Jewish neighbors.
>
> The mass shooting of Jewish victims in the summer and fall of 1941 represents the first phase of the Holocaust, often referred to by historians as "the Holocaust by bullets." It was during this initial phase that special German killing squads (Einsatzkommandos) coordinated the mass murder of Jews by bullets with the help of the SS, Wehrmacht troops, the Romanian military, special "operational squadrons," order police units, and local collaborators.[23]

This is why Western propagandists like Motyl who construct sophisticated distinctions between outright fascism and 'extreme nationalism', miss the point: Central Europe's collaborators were part of the Nazi project and enthusiastically engaged in its atrocities.[24] Stepan Bandera, to this day celebrated as a national hero in post-Maidan Ukraine, headed the faction of the Organisation of Ukrainian Nationalists (ONU) that created the Ukrainian Insurgent Army (UPA) and proceeded to organise the Galician massacre of Volyn in 1943. The UPA's actions resulted in up to 100,000 Polish deaths. Estimates of the death toll range from 60,000 to 120,000.[25] Other victims of the massacres included several hundred Armenians, Jews, Russians, Czechs, Georgians, and Ukrainians who were part of Polish families or opposed the UPA and impeded the massacres by hiding Polish escapees.

---

23. Kevin Burton, "Episode 5 – Strike Wave," *The National WWII Museum, New Orleans*, podcast, 2025, accessed May 8, 2025 https://www.nationalww2museum.org/war/podcasts/best-my-ability-podcast/season-2-archive/episode-5-strike-wave.

24. Alexander Motyl, "Stepan Bandera: Hero of Ukraine?," *Atlantic Council*, March 15, 2010, accessed May 17, 2025 https://www.atlanticcouncil.org/blogs/new-atlanticist/stepan-bandera-hero-of-ukraine/.

25. Per A. Rudling, "Historical Representation of the Wartime Accounts of the Activities of the OUN–UPA (Organization of Ukrainian Nationalists—Ukrainian Insurgent Army)," *East European Jewish Affairs* 36, no. 2 (2006): 163–89, https://doi.org/10.1080/13501670600983008.

Nor can Nazism's allies be exonerated from anti-Semitism by putting a pseudo-academic gloss on a selective presentation of texts. The UPA openly advocated violence against Jews and conducted it.[26] In April 1941 at its Second Congress in Kraków it listed, it listed 20 'foreign' nationalities as enemies of Ukraine: Jews were first, Poles were second. The resolution stated: 'OUN combats the Jews as the prop of the Muscovite-Bolshevik regime.'

With nationalists like these, who needs fascists?

It is true that because of military requirements and the Nazi hierarchy of master races, the Nazis showed little tolerance for autonomous initiative. The ONU was suppressed between 1941 and 1943 when it created an independent government on Soviet territory; the more compliant Byelorussian collaborators were integrated into a Vichy-style administration. But as the war turned against them, the Nazis voluntarily rehabilitated the ONU and established the military units of the Waffen-SS in which many Ukrainian fascists earned their stripes by slaughtering Slovenian, Polish, Jewish and other partisans.

The point is this: the Nazi project, aiming to save German capital by reinstating the German nation as the world's leading imperialist power, first and foremost aimed at the destruction of Communism and the USSR. However, the Russian revolution had so weakened imperialism, and German capital, that it would henceforth never again be possible to send the entire working class of any nation to die on the battlefield in defence of its own imperialists.

Why, then, did over 3 million German workers—twelve times as many as in the UK—die in battle between 1 September 1939 and 8 May 1945? The starting point is that precisely because it could not count on the allegiance of the whole German working class, Nazism had to split it. This, it could only do by rallying the most reactionary forces it could find in the working class under the banner of exterminist racism, to destroy by extreme violence all opposition to German imperialism within the working class. Anti-semitism, an ever-present and deep-rooted current among German, east European and Russian workers and peasants alike, was the perfect instrument for the job.

As the communists of 1848 knew only too well, the working class was then, never has been, and is not now, a homogenous mass. In 1848 it was still

---

26. Jeffrey Burds, *Holocaust in Rovno: The Massacre at Sosenki Forest, November 1941* (United Kingdom: Palgrave Macmillan US, 2013). Alfred J. Rieber, "Civil Wars in the Soviet Union," *Kritika: Explorations in Russian and Eurasian History* 4, no. 1 (2003): 129–62, https://doi.org/10.1353/kri.2003.0012.

emerging from a great mass of dispossessed peasants and small property owners not yet socialised as workers, it was stratified by income, divided by language and religion, and structured by patriarchy. It included many ‘lumpens’ who battled even to earn the privilege of wages. When fighting in the army of revolution, the dispossessed are brave; when abandoned, they are prey for reaction; when betrayed, they become fodder for the destruction of working class unity. The rise of the Nazi party marched hand in hand with unemployment and grinding poverty, imposed by the combination of the penurious debt imposed by Germany’s rivals at Versailles and the fatal failure of the Weimar government of 1919-1933 to address either the near-collapse of the economy or the condition of German workers.

## Conclusion

We have entered a period in which the intensity, duration and extent of military conflict make it a Third World War in all but name and is already bringing about geopolitical changes as fundamental as the last two. As in all wars, the outcome depends not on inevitable alien forces but on the political and human choices we make. The better informed we are, the more likely we are to make the right ones. In these two articles, I have therefore tried to identify the causes of wars and suggest how to stop them. My conclusion is deceptively simple: capitalists cause war, and workers can stop them. However, while as true now as a century ago, this mantra doesn’t tell us how to make it so.

I therefore delved into a primary difference between the two great classes of the world; the vast majority which ‘has nothing to lose but its chains’ and that small minority, who run most of the world, which lives from the labour of the majority. These classes are diverse both as to their economic and national circumstances, but two basic facts apply: capitalists are driven towards war because it is, reduced to essentials, nothing but competition taken to its logical conclusion; workers on the other hand make choices, which are determined not by their economic circumstances but their political formation. These can lead to terrible things, such as imperialist wars, colonial oppression, and Nazism. But they have also led to the most inspiring and self-sacrificing struggles, against the horrors of war and colonialism, that the world has seen.

The wrong choices, I have tried to show, arise precisely because workers do have the freedom to choose what they do and, unlike capitalists, are not

compelled by their circumstances. If they choose to do what their capitalists want, war is not only inevitable but can only make things worse. If they act in the joint interests of their sisters and brothers throughout the world, much war can be avoided, and as history has shown, even that which cannot be avoided, can only change the world for the better, Therefore, the task of everyone who seeks a just, equal and peaceful world is to recognise the working class as the only force that can bring about change for the better, and to recognise that to realise this potential, it must act on the understanding that the world remains divided between the one-fifth of the world that depends on oppressing and exploiting the other four-fifths, whose nations depend only on the labour of their own peoples. We in the imperialist world must therefore prioritise, above all else, putting an end to the misery that our governments and capitalists inflict on other nations, and working with everyone in the global majority world who seeks, in place of war, to create a shared future for humanity.

The mass parties of the Columbian nations long ago lost sight of these facts; the tasks they once set themselves must therefore be accomplished by parties yet to be built. If they are built on this understanding, they can change things for the better. If built on the misunderstandings of an age that is passing from existence, they can only change it for the worse.

# 3

# Marxist Analysis of the Gold Standard: A Preliminary Investigation

Edward Liger Smith[1]

> *"With the development of the Credit System, capitalist production constantly strives to overcome this metallic barrier, which is both a material and an imaginary barrier to wealth and its movement, while time and time again breaking its head on it."*[2]
>
> —Karl Marx

For much of history, including the era in which Karl Marx was writing, money took the form of a material commodity—such as gold or silver—which served

---

1. Eddie Liger Smith is an Executive of the American Communist Party and a Director of the Midwestern Marx Institute.
2. Karl Marx, *Capital: A Critique of Political Economy, Vol. III* (Moscow: Progress Publishers, 1974), 574.

as the universal equivalent, mediating exchange, facilitating payment, and measuring the value of all other commodities. Today, however, money exists in the form of fiat currency, an abstract representation of value rather than a concrete one, which takes the form of a paper banknote or just a number in a computer. Many theoretical implications stem from this revolution in the money form that demands to be understood by Marxists operating in the modern era. In this essay I will look at the way in which fiat currency parallels and facilitates the rise of central economic planning within the capitalist mode of production, as well as the endless war spending and credit swindling which it allows for. I will also trace the history of fiat currency back to its origins in order to provide a historical and materialist understanding of how it came about. The historical portion of the essay will build the basis for the theoretical section to follow, as well as future essays related to money in the form of fiat.

In 1971 Richard Nixon announced that the gold standard would be abandoned and the US dollar, the world's dominant currency, would no longer be backed by gold. Commodity money like gold was replaced with fiat money, or token representations of value, which can take the form of paper banknotes, or even digital currency with zero material basis. Shortly after the abandonment of the gold standard the US forged an agreement with Saudi Arabia, creating what's known as the petrodollar, and in many ways establishing oil as the material basis of currency.

The abandonment of precious metals like gold as the primary form of currency, or as the basis of the US dollar, is a development that should raise significant questions for any Marxist economist. Unfortunately, however, this is a topic that has not been adequately analyzed or discussed, at least not by English speaking Marxists in the Western world. As a result, many Marxists have either carried on their work ignoring this question, or they have adopted insufficient bourgeois theories to explain away the questions that arise from analyzing a capitalist system where currency has detached from its material commodity base and exists purely in the abstract.

As will be explained in this essay, during Karl Marx's era, gold and silver coins circulated alongside paper banknotes, with the average labor value needed to produce the gold serving as the underlying standard for the currency's value. Today, fiat money is the primary form of currency, meaning money with no underlying or intrinsic material value, that derives its social value from society's confidence that it can act as the universal equivalent, or in other words, that it can be exchanged for any other commodity on the market of equal

value. And many countries around the world now have their own unique fiat currencies, which have varying values relative to one another. All that to say, the currency situation today is much different from the one that Marx analyzed in the mid to late 1800s.

The fact that capitalism is a system which exists in a constant state of change and flux means that it is always necessary to update our analysis of it, especially when it undergoes such deeply consequential qualitative shifts as the move from gold to fiat currency. In this essay I'll give my contribution to this discussion, which I hope will provide a solid theoretical basis for others to expand upon. Only through our collective theoretical efforts can we come to understand the world we live in and how to change it for the better. It is my hope that this essay will be a valuable theoretical contribution to the collective work of the American Communist Party and its struggle against capitalism and imperialism.

## The Historical Development of Currency

### Debt and the Earliest Forms of Currency

In 1971 Richard Nixon officially announced the end of the Gold Standard, which had previously tied the value of global currencies to gold. This system theoretically required banking institutions to hoard massive reserves of gold in their vaults, in order to back up the paper currency that circulated throughout the economy. However, this move away from gold-based currency did not appear out of nowhere overnight; it was an inevitable result of the development of capitalism, and the capitalist credit system in particular. Marx gives his most systematic analysis of this in *Capital Vol III* where he argues that with the development of the credit system money's identity as gold becomes problematic and this is what creates the motivation to create new forms of money which aren't rooted in any kind of concrete commodity.[3]

The shift to fiat currency began to accelerate during World War I, when countries, desperate for increased economic flexibility, temporarily suspended gold as the basis of global currency and exchange. Since then, the capitalist economy has rapidly evolved away from the use of gold as the basis of currency and towards the use of fiat money, mere tokens representing value and used as means of payment, but not backed by precious metals like gold. To

3. Marx, Capital, Vol. III, 648.

understand this development and its implications for the broader economy, we must delve into the history of currency itself, tracing its historical development through various forms, and examining how these relate to changes in the capitalist mode of production as a totality.

In the early stages of capitalism, often referred to as the era of 'mercantilism,' precious metals such as gold and silver were used as currency, serving as both a means of payment and mediator of exchange. The exchange of goods, in one form or another, has historically been a universal phenomenon in known human societies, occurring first within society itself and then externally with other societies once production develops to a certain stage. In tribal society, if I produce bread and my neighbor produces fish, and I want to make a fish sandwich, I might trade one of my loaves for one of his fish. Or perhaps, if it took him twice as long to catch the fish as it did for me to bake the bread, he might demand two loaves in exchange for one fish. The equivalent between these goods being the amount of labor time that it took to produce them.

In the earliest forms of society, debt functioned as the initial medium of exchange, with transactions often taking the form of informal I Owe You (IOUs). Rather than relying on immediate barter, individuals exchanged goods based on socially recognized obligations, keeping track of what was owed within the community. Value was held and calculated in the mind, and on the basis of what the community as a whole needed to produce. Marx and Engels refer to the economic formation of this era as "primitive communism."

This system of currency eventually became untenable as production developed, and a higher volume of goods were regularly being exchanged as a result. Human societies came to recognize the need for a special commodity that could serve as a *universal equivalent*—a good that can be exchanged for any other on the market and used to express and compare their values. The recurring and expanding phenomenon of exchange gave rise to a consistent need for a *medium of exchange*: a third commodity that represents a certain quantity of value and is universally accepted by both parties to facilitate trade between goods of unequal value. This universal equivalent, which functions as the mediator of exchange, is what we know as currency, or more generally, money.

One of the earliest forms of currency developed by tribal societies was the cowry shell, a durable and unique seashell used by ancient Chinese civilizations as a universal equivalent and mediator of exchange. Some societies used wheat, some used livestock, some used stones, and others moved directly to using

metal objects like copper, silver, and gold. But for now, we will take the cowry shell as our example.

The cowry shell functioned as a currency because it was a universally valued commodity within the community. Without a universal equivalent, I could only trade my bread with someone who specifically wanted bread, that is, someone who desired its particular use value. But with a universal equivalent like the cowry shell, I can sell my bread to anyone who needs it and receive shells in return. I can then use those shells to purchase *any* other commodity on the local market, so long as I have enough to cover the cost.

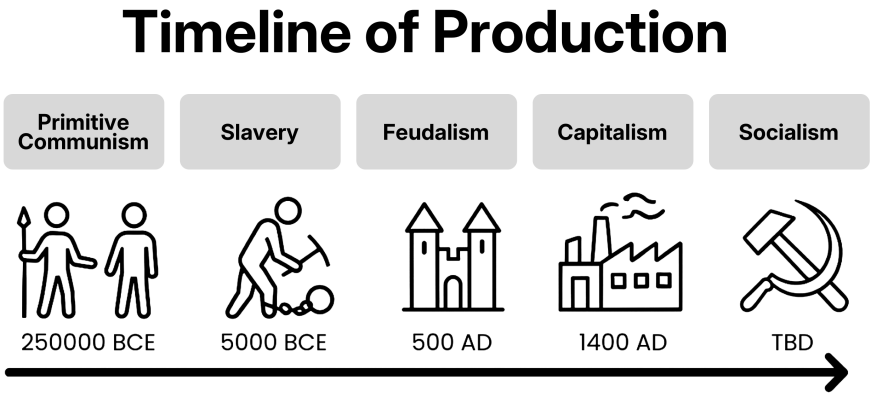
For example, a fisherman might not want to trade with me directly because he already has enough food. However, I can sell my bread to someone else who *does* want it, earn cowry shells, and then use those shells to buy fish from the fisherman, which he can use in turn to buy commodities that he *does* want. In this way, once the universal equivalent is established it becomes the most valuable commodity in all of society, not because of its intrinsic properties, but because of its universal acceptability and its ability to obtain any other good. Because of its social function, one thousand pieces of money become more valuable than one thousand dollars' worth of fish, because the money can be exchanged for anything while the fish cannot.

The development of technology from the 1400s onward massively increased humanities productive capacities and with it the scale of commerce and trade. This generated immense wealth for industrialists and merchants and elevated their power to rival that of the feudal monarchs and landlords. Over time these developments rendered local currencies like the cowry shell less viable, creating a demand for a universal currency to facilitate international trade, or trade between different societies and not just within them.

The most obvious solution to this problem was to use precious metals like gold and silver, which were already highly valued across many societies, easily malleable into coins, and traditionally associated with wealth and luxury. Moreover, gold and silver were accessible to all the major economic powers, and the more advanced their productive capabilities, the more precious metals they could extract from the earth.

Here, we can see that the emergence of gold and silver currencies paralleled the emergence of capitalism, with the development of both historical phenomena working in tandem, influencing and shaping one another. But capitalism, like

all modes of production, exists in a constant state of change and flux. And just as the development of capitalism led to the adoption of gold and silver currencies, so too did its further development create the conditions for their eventual replacement.




**Origins of the Paper Banknote**

Precious metal–based currencies would soon be supplanted by a new form of currency: the banknote, or paper money. This shift was driven by the rise of the credit system, which developed within the capitalist mode of production, as its continued evolution made the storage and management of currency an increasingly necessary economic function.

While banking had existed for millennia, the earliest financial institutions that we could categorize as proto-capitalist banks were formed in 12th and 13th century Europe to facilitate and capitalize on the rapid growth of international exchange. The business model of these banks was to store as much money as possible and then lend it out to merchants who needed it for advances on capital. Naturally, this business of loaning money to capitalists became a profitable venture in itself, as the loans given out by these banks had to be paid back with *interest*. Which is an additional sum that borrowers repay on top of the original loan, serving as a fee to the bank for the privilege of using its money. This kind of capitalist financial banking quickly evolved into a popular method of enrichment by the capitalist class and financial banks rose to be some of the most powerful institutions in Europe.

It is at this point where metallic currency began to act as a fetter on the rapid development of the capitalist banking system. Banks were limited in the

amount of value they could loan by the quantity of gold that they had stored. To overcome this challenge banks started issuing paper banknotes, promissory notes, and bills of exchange (banknotes being the modern form of currency that we use under capitalism today). I will take a second to explain what these three different forms of bank loans are, or at least what they originated as.

- A Promissory Note functions like an IOU or a promise to pay at a later date and symbolizes the debt that the debtor owes to the creditor. If you take out a loan on a house, you will receive a promissory note which says when and how much you are obligated to pay back to the bank.

- Bills of Exchange are the other side of promissory notes, the creditors' side. If the factory owning Capitalist A, wants to buy factory machinery (known as productive commodities in the Marxist lexicon) from capitalist B who produces the machines, the bank may draw up a bill of exchange to represent the value of the loan capital given by the bank to Capitalist A to purchase the productive commodities from Capitalist B. This allows Capitalist A to get the machines he needs regardless of whether he himself has enough money to purchase them, because this money has been loaned to him by the creditor for a promise to repay them with interest. Bills of exchange also affect Capitalist B who is exchanging his commodities against a bill of exchange, a paper loan from the bank, rather than commodity money or cash.

- Banknotes are the form of value that loan capital takes when bills of exchange are drawn up. If a $10 bill of exchange is drawn up between Capitalist A and the bank, and a promissory note is issued to Capitalist A requiring he pay back the $10 with interest at a certain date, the bank might then give him 10 banknotes which can be used as currency to purchase the commodities he needs on the market. Banknotes emerge as the mode of expression which loan capital assumes, and in modern society they have become the dominant form of currency proper. Banknotes are technically fiat currencies, meaning they are merely representations of labor value that can be used as currency, means of payment and circulation, but which hold no intrinsic value of their own. When the gold standard was still in effect these notes were supposed to be backed by the bank's gold reserves and were to be directly convertible with gold at a fixed rate, as was eventually mandated by law. However, as the credit system continued to develop, this principle was increasingly

> ignored in practice, and paper notes started to outnumber metallic currencies more and more.

So, promissory notes, bills of exchange, and banknotes represent a dialectical unity within the capitalist credit system. Bills of exchange stand on the side of the creditor and represent the money they are owed and when they are owed it by. Promissory notes stand on the side of the debtor and represent the sum of money they are obligated to pay and on what date. Banknotes are the form that the loan capital takes, which are then used as a means of purchase and mediator of exchange as if they were money.

Banknotes did not always need to be used, however, because many different capitalists were storing large sums of money with the bank. If one capitalist wanted to purchase commodities from another capitalist who stores money in the same bank, the transfer of value can happen internally between the two accounts, and without the use of banknotes. One capitalist simply has value deducted from his account while the other has the same amount of value added to his, and the entire exchange is thus mediated internally within the credit system and without the use of physical money. Here we see that once the credit system has developed beyond a certain stage, money and loan capital does NOT necessarily need to take a material form at all, and it can exist as a number attached to a banking account, merely written down on a piece of paper or typed into a computer… at least until the entire system comes crashing down circa 2008.

The more money that capitalist banks loan, the more interest payments they collect, and the higher their profits will be. This means banking institutions are incentivized to loan as much money as possible to those who can pay it back, and often to push these limits by loaning to those who can't afford to pay it back. Thus, during the course of capitalism's development banks began loaning out more of the paper forms of money described above, allowing the banks to loan out more value than what they actually had sitting in their gold reserves. It is at this point historically, through the development of the credit system, that paper money emerges, and begins the slow process of replacing metallic currency. Engels says in *Capital Volume III* "Bills of exchange undoubtedly act as currency independent of money" as they serve to transfer property from hand to hand by endorsement.[4] By "money" he means commodity money in the metallic or gold form. So here he is saying that the paper money issued by the

4. Marx, *Capital, Vol. III*, 401

banks in various forms begins to function as currency, creating the historical possibility for paper money to eventually detach from gold, and replace it as the dominant form of currency.

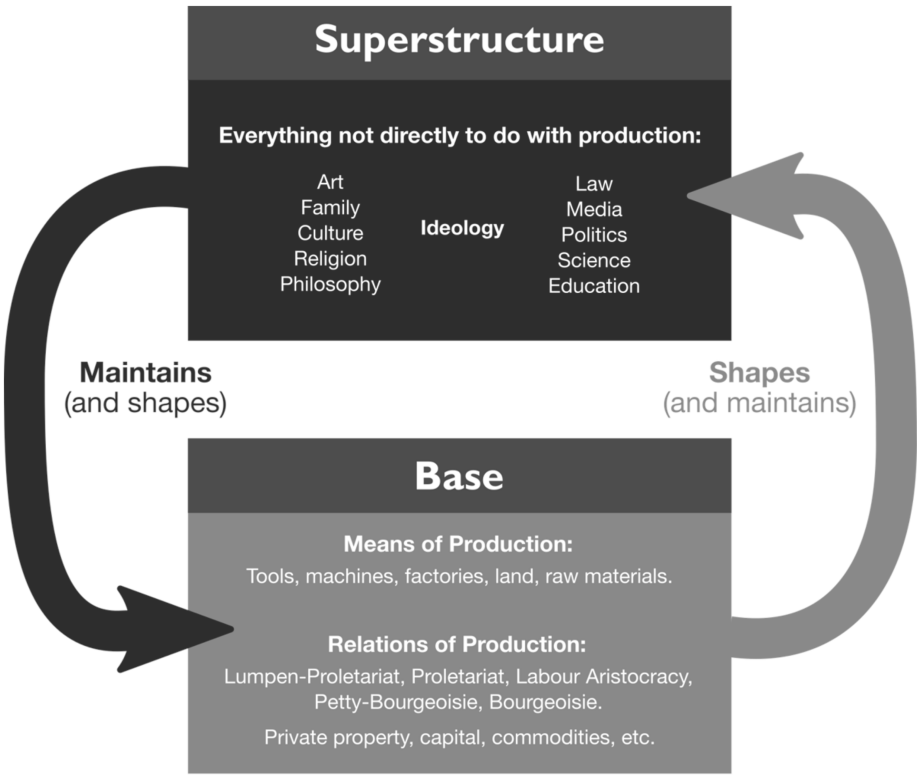
Banknotes were put into circulation as paper representations of value that could also be exchanged between capitalists, meaning they functioned and circulated in the economy the same way that gold and silver money would. Eventually the bank note was multiplied in form so that it could more easily be exchanged for commodities or different quantities of precious metal currencies. There were now hypothetical $1, $5, and $20 banknotes where there were previously only $10 notes (Not real figures and US Dollars were not yet in use when banks first started issuing paper notes. The example given is merely an illustration). It was also far easier for banks to print paper notes than to mine gold. As the banking system issued an ever-growing volume of paper money, economic exchanges increasingly relied on it as the medium, rather than on precious metals.

Marx says of the rise of paper money in Capital Vol. III that bank currency, including reserve funds, becomes “a mere phantom of the imagination.”[5] Meaning money loses the intrinsic value that was found in commodity money, acting instead as an abstract representation of value whose power comes from its social function given to it by society and the State. Money no longer has to be mined from the earth using a certain quantity of average social labor time which determines its value, and instead it can be printed, or added to a spreadsheet in a computer with a simple type of keyboard. Fiat money's value comes from its social function, not from its intrinsic labor value, which is what distinguishes it from commodity money. And this creates the incentive within the bourgeoisie to accumulate fictitious forms of capital at the expense of investing in real productive capital, which will be expanded upon in later essays.

In the Marxist tradition there is an explanatory device known as ‘Base and Superstructure’ which helps new students to understand the Marxist world outlook. The “Base” refers to anything pertaining to production and economics - particularly the relations of production. Examples of different relations of production include slave and slave owner (slavery), serf and feudal lord (feudalism), and wage laborer and capitalist (capitalism). The productive base shapes and conditions the 'superstructure' of society, which includes politics, media, religion, culture, and more. The superstructure, in turn, reacts back

5. Marx, Capital, Vol. III, 472.

upon the base and influences it—for example, capitalist-owned media discouraging radical politics and thereby helping to preserve existing capitalist relations of production.




**This moves in a spiral pattern.**
**The base is generally dominant.**

By tracing the historical development of currency, we see that it was the development of capitalism that led to the rise of metallic currencies and ultimately facilitated their replacement by paper money. The steady move away from gold as the currency was not a political decision decided upon democratically or otherwise by the State; rather, it emerged from the evolution of the capitalist mode of production itself, and the credit system in particular. Government superstructures were merely reacting to changes that came about naturally through the development of the economic base.

Currency itself was created out of the economic necessity to mediate commodity exchange. Gold and silver became the basis of currency because of a historically emergent necessity to facilitate trade on a global scale.

Bank-notes emerged as a historically new form of currency due to the development of the capitalist credit system and its relentless pursuit of profit. What all of these developments have in common is that they both represent and result from the evolution of the capitalist mode of production as a whole.

**The Rise of Central Banking and Origins of Central Economic Planning**

As the European financial system continued to develop, a multitude of private banks in different geographic regions were issuing their own unique currencies. As the development and expansion of commerce continued to accelerate through the 1600s, the existence of various different currencies began to pose a problem. Banks from certain areas began rejecting notes that were issued by banks in other areas and there was difficulty in determining how to weigh the value of two paper notes against each other.

This was the moment when the concept of central banking began to emerge and gain prominence. The financial system had become too anarchic and chaotic as a result of having numerous individual banks issuing their own currencies. In the late 1600s and early 1700s, economists like the Scottish theorist John Law began popularizing the idea that every nation should establish a central bank—an institution with exclusive authority to issue currency and manage the economic affairs of the state. This proposal aimed not only to resolve monetary instability, but also to curb the widespread economic mismanagement that had become characteristic of the feudal monarchies at the time. A clear sign that the feudal relations of production had become outdated and acted as a fetter on further economic development. Capitalism, already taking root, was now bursting forth to replace the old order and drive society into a new stage of historical development.

Capitalism at this time was in the process of overthrowing the previously dominant feudal system. The political and economic power of the feudal monarchs was rapidly declining, while that of the industrialists and merchants - the bourgeoisie - was steadily increasing. Developments in production eventually made it impossible for the feudal ruling class to effectively manage the national economy. As a result, new institutions, dominated by capital rather than royalty, emerged to assume control of the changing economic system. The central bank is one of these key institutions.

The theory of central banking became a concrete reality in 1694 with the founding of the Bank of England in what was then the leading center of early

capitalism, following the earlier establishment of Europe's first central bank, Sweden's Sveriges Riksbank, in 1668. This accelerated the centralization of finance and currency, setting England on the path toward a unified, sovereign currency backed by gold, replacing the previously fragmented system of competing currencies. Over time, this new monetary order would come to be regulated and enforced directly by the state —the true power behind the social value of money.

Scotland quickly followed the Brit's example by creating the Bank of Scotland in 1695. England and Scotland were two of the first to develop these centralized financial institutions because they were the countries where capitalism existed in its most highly developed form, and where the productive forces were the most advanced. England became the birthplace of the Industrial Revolution, aided by new financial institutions that injected currency into industrial development. Its comparatively rapid growth in productive forces hastened the decline of feudalism and the rise of capitalism. The next European country to establish a central bank would be France, who had their famous bourgeois revolution against the monarchy in 1799 and founded the central bank one year later in 1800, again demonstrating how the rise of central banking systems accompanied the rise of Capitalism and fall of Feudalism.

Sweden, the original founding nation of capitalist central banking, is a bit of a unique case, as they just so happened to be ahead of the curve politically. Sweden was still a feudal agrarian country with little industrial development, but they decided to create a central bank as a means to increasingly plan their economy and finance the development of industry. The impetus to create this bank was the desire among the people for industry, commerce, and an institution that could manage economic affairs more efficiently than the monarchs.

The first non-European country to create a central bank was the United States who beat France to the punch by creating the Bank of the United States in 1791. We see a common theme here as before, as the US had recently completed their revolutionary war against the British in 1783, just a handful of years before the central bank was founded. The US Revolutionary war freed the US from the colonial economic system and enabled them to progress through the early stages of capitalism as an independent liberal republic. Again, we see the emergence of central banking systems parallel or follow the supplanting of a previous economic system by capitalism. Prominent American thinkers like Alexander Hamilton had been leading the call for years for the US to establish a

central bank of its own, believing it was the key to developing industry and modernizing the US economy. He wrote in his 1790 *Report on a National Bank*:

> *"A national bank is an institution of primary importance to the prosperous administration of the finances, and would be of the greatest utility in the operations connected with the support of public credit."*

Britain was the first country to officially fix the value of its sovereign currency to a specific quantity of gold, adopting the gold standard in 1821. By the late 19th century, most major economies had followed suit, and banks became legally obligated to redeem paper notes for gold upon request. In theory, the banks were required to back the paper money they injected into the economy with a lump sum of gold—a reserve fully sufficient to cover redemptions. In practice, however, full one-to-one backing was rarely maintained, and a fractional reserve system emerged, based on the assumption that only a portion of note holders would demand gold at any given time.

There are many reasons as to why countries fixed their currencies to gold. The main ones being historical precedent for metallic money and lack of public trust in paper currencies. Gold coins had been used for centuries and remained in circulation, making gold a seemingly appropriate commodity to anchor the value of paper money. This also helped to instill public trust in paper currency by tying its value to a tangible commodity, a move made necessary by the deep distrust that existed between working people, the state, and capitalist financial institutions.

**Financial Crises & the Gold Standard:**

The development of the credit system also paved the way for a new kind of economic crisis—the financial crisis—which is endemic to the capitalist mode of production, as exemplified by the 2008 crash, which was far from being the first of its kind. When banks are incentivized to lend as much money as possible in order to maximize profits, sometimes they make bad loans to people who eventually won't be able to pay them back with interest. When enough people can't pay back their loans to the bank, the bank runs out of money to issue, and the entire economy comes crashing down alongside the banking system. Think of the bank run scene from the American classic *It's a Wonderful Life* where

everyone in town shows up at the bank asking for money, but the bank has nothing to give them. These early financial crises (before the great depression which the bank run scene is based upon) caused people to lose faith in the financial and currency systems, and one of the solutions to this put forward by bourgeois political economists at the time was to fix paper currency to gold.

And to be clear, this theory is complete and utter nonsense that was only concocted to explain away the inherent contradictions within the capitalist mode of production that are the true roots of regularly occurring economic crises. After adopting the gold standard, the British economy crashed in 1825, 1845, 1847, 1861, 1873, and 1879. The theory that the gold standard would end crises is one of the first historical examples of capitalist apologists inventing a fake solution to issues that are inherent to the capitalist mode of production in order to placate its critics.

When capitalism is still in the process of overthrowing feudalism or slavery, the bourgeoisie plays a historically progressive role. But once it has seized power and developed to a certain degree, it becomes reactionary. At that point, the bourgeois class works deliberately to preserve its dominance and to maintain the capitalist system—even if it's at the expense of the vast majority. Alexander Hamilton's theory of central banking was genuinely designed to improve America's economic system, not just to make him rich. The theory that the gold standard will prevent the capitalist financial system from crashing, on the other hand, is not a serious nor genuine effort to alleviate society's economic ills, it is a theory pushed out by British bankers to try and distract the public from the fact that capitalism was continuing to crash over and over again, causing massive suffering for working people.

Instead of preventing crises, what fiat currencies do is allow the capitalist class and state to inject themselves with money after a crisis occurs in order to aid in their recovery. Marx shows us that crises lead to a violent scramble for means of payment as people are desperate for liquid money value to use as means of payment. In times of crisis capitalists struggle to pay their workers' wages and replace their constant capital, which is needed to keep the factories running, as well as paying their debts back to the bank. By injecting these firms with money, the credit system allowed them to recover, and even concentrate more wealth into their own hands, in the time period after the crisis.

So, there are in fact real advantages to having a gold-based currency rather than mere fiat. For example, the adoption of the gold standard as the basis of

currency at the time helped facilitate international trade by creating a common value against which all global currencies could be measured and expressed. The U.S. dollar, for example, could now be easily converted into British pounds by comparing how much each was worth in gold.

Additionally, the gold standard limited the power of banking institutions and the State, which have merged together more and more over time, to engage in endless war spending, debt trapping schemes against foreign nations or their own people, and reckless financial speculation. This is because the gold standard created a barrier to the amount of money that could be printed and strategically injected into the economy. The removal of currency's metallic basis gave the financial sector unprecedented power over the economy, granting them full and total control over the money supply by removing natural and legislative barriers to their parasitic profiteering activities. And in turn, it gave the liberal capitalist states an almost endless ability to spend money on war.

During the period when the gold standard was still in effect, Britain and other countries were forced to suspend it multiple times during wartime, as doing so gave them significantly greater economic flexibility. By removing the constraint of maintaining a fixed amount of gold reserves, governments gained the ability to print paper money nearly at will and use it to finance the purchase of weapons and supplies. The prevalence of this practice accelerated massively during World War I as all the capitalist superpowers were drawn into a war against one-another over control over the colonies. Britain and most other countries suspended the gold standard during this time in order to free up money for military spending. When the war ended they tried to return to the gold standard for a handful of years, but met various difficulties, and ultimately abandoned gold as the basis of British currency in 1931. The US followed suit and abandoned their domestic gold standard in 1933.

However, this was not the death knell for gold as a form and material basis of currency, and it managed to avoid being replaced by paper for a handful of decades. When World War II drew to a close global leaders would meet in Bretton Woods, New Hampshire, to reconstruct the global monetary system together, although the US had the most influence by far. There, it was determined that all major currencies would be pegged to the U.S. dollar, which in turn would be convertible to gold at a fixed rate of $35 per ounce. The justification for this being that the US had the most powerful economy and currency on earth at the time, which was due to the fact that their infrastructure

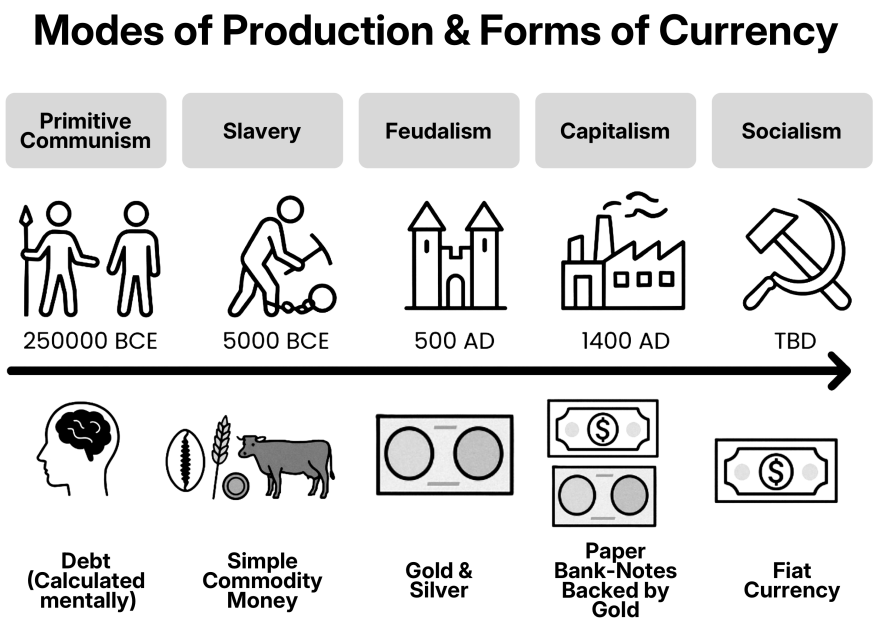
was untouched by the war and had actually increased greatly as a result of the war time economic policies.

To manage this new global financial order, two institutions were created: the International Monetary Fund (IMF) and the World Bank, both headquartered in Washington, D.C. In many ways these institutions can be viewed as global central banks which correspond to capitalism developing into a global system. However, it should always be remembered that they are ultimately controlled by the US Government and Western financial institutions, which means they have never acted like a true central bank working in the interests of each country, but have instead served as a financial weapon of the US used to exert control over the entire global economic system.

In the years that followed, the United States faced the same pressures that had previously led other nations to abandon the gold standard. The costs of the Korean War—and later the mounting expenses of the Vietnam War—created a demand within the American ruling class for greater economic flexibility, as maintaining gold convertibility constrained their ability to finance large-scale military spending. In 1971, when the Vietnam war was still ongoing, President Richard Nixon announced the end of the gold standard and the U.S. dollar's convertibility into gold. This marked the final qualitative shift away from gold-based currency and left the U.S. dollar—a fiat currency issued in banknote form—as the sole foundation of the global monetary system. And in turn, it allowed the US to dump money into seemingly endless wars for the next five decades.

And so, we see that in the course of capitalism's development, it first elevates gold and precious metals to the level of currency, imbuing them with the power to act as the universal equivalent, and serve as a means of exchange and circulation. Next, capitalism began to replace gold with paper, as the development of the financial system incentivized banks to loan out more and more paper money in order to escape the restrictions placed upon its profit-making activities by the gold form of currency. Thus, gold was eventually demoted to being the mere basis of currency, while the paper note was elevated to being the primary mediator of circulation and exchange. As this system continued to develop gold was eventually done away with completely and vanished as the material basis of the currency supply. We see here the dialectical evolutions of form that are undergone by currency as the result of developments in the capitalist mode of production as a totality, and we

also see how currency reacts back upon the mode of production by influencing the way that it operates.




(In this timeline the currency forms correspond to the modes of production in which they arise only generally, exact dates were not used.)

## The Theoretical Implications of Fiat Currency

### The Value of Money

Karl Marx lived during the mid-1800s, a period when banks had already grown to substantial size and had developed a pattern of excessive lending. During this era, the transition from gold to paper money was well underway, and theories corresponding to this economic development began to emerge positing that the banknotes in circulation should be backed by the gold held in reserve. Many bourgeois theorists also argued that the value of a national currency was rooted in the amount of gold held by the country in question. Marx had a more complex and refined understanding, arguing that currency is actually an abstract representation of all the social labor in society, not of the amount of gold stored in its vaults. The value of currency for Marx is defined by the

volume of commodity value that it can be exchanged for as determined by the amount of social labor contained within them. In other words, the amount of purchasing power that the money commands. Thus, the country with the most valuable currency is often the country where the productive forces are the most advanced, or where the most commodities can be produced with the least amount of labor time. The country whose productive capacity is the highest. This theory was proven to be essentially correct by the events that came in the aftermath of World War II, when the U.S. was left with the most powerful industrial base in the world, and correspondingly the strongest currency.

However, in today's increasingly globalized economy, the US manufacturing base has been weakened due to outsourcing and a preference among the rich for financial parasitism over productive industry. Meanwhile, China has long since surpassed the US in terms of manufacturing output, and yet the US dollar remains the dominant global currency. And this can mainly be attributed to the US dominated global financial system, as well as the so-called petrodollar agreement, which ensures that the vast majority of global oil exchanges are mediated with US money. So today it is not necessarily the country with the most advanced productive forces that has the most powerful currency, but rather the country whose currency mediates the most global commodity exchanges. And this is not inconsistent with the Marxist theory of currency that all money exists as a portion of the value of the commodity capital that it is exchanged for. Meaning the value of money is in what it is able to purchase on the market, the quantity of labor value that it is able to command.

**Marx and the Currency School**

Marx had much to say about currency, especially in the middle portions of Capital Vol III where he makes his criticisms of a group of intellectuals known as the Currency School. They were a collection of British economists who argued that the amount of money in circulation should be tied to the amount of gold held in reserve, a theory which we discussed briefly before. The currency school economists were some of the most prominent intellectual defenders of the gold standard whose writings helped to create the bank charter act of 1844. Marx's criticisms of this school are some of the most relevant that he ever wrote in dealing with the problems of currency today and coming to comprehend the nature of fiat money.

The currency school argued that tying currency to gold would prevent irresponsible crediting by the financial system and therefore solve the problem

of economic crises, which is a theory that we've already shown to be mostly incorrect, and which was disproven by the rampant and brutal economic crises that plagued Britain after the bank charter act of 1844, which attempted to regulate the issuance of bank-notes. Although the gold standard does in fact place some limits on predatory lending practices, it is not a solution to the capitalist crisis.

They also believed that the value of a nation's currency was rooted in the quantity of gold that it held in reserve. This notion was also refuted by Marx who showed that a currency's value is derived from the amount of purchasing power that it commands on the market, in other words, the value of the commodities it can be exchanged for. A factor which is determined by the level of development of the productive forces and the specific currency's ability to mediate exchanges on the global market. The latter of these factors being one that is often manipulated by politically motivated global financial institutions and states, which has accelerated with the expansion of capitalism into fully a global system.

**Central Planning and the Petro-Dollar**

Over 90% of modern industries rely on oil for transportation, machinery, electricity, and more, as it remains the most powerful and easily stored energy source available today. After 1974, a political agreement between Saudi and American officials—backed by powerful financial and industrial institutions—created a global demand for US dollars to purchase oil. As a result, a vast share of international market exchanges began occurring in dollars. And this is what has become known as the "Petro-Dollar Agreement" although it was never officially called that.

The Petro-dollar agreement is a glaring example of capitalism's development towards more central economic planning. Rather than allowing the free market to decide everything, capitalists and politicians were increasingly seeking to use state power in order to manipulate the markets for their own purposes. And this has only increased with capitalism's further development and monopolization. Today China has the world's largest manufacturing base but not the world's most powerful currency. And this is due to the fact that the US dollar is backed up not just by their own industries, but also by Saudi Arabian oil, and any of the other producers who promised American politicians they would only exchange commodities for US dollars. And thus, through central economic planning by

the bourgeois class, the US dollar is maintained as the most dominant global currency, granting the United States immense power over the global economy.

In Vladimir Lenin's book *Imperialism: the Highest Stage of Capitalism* he shows how the system has an inherent tendency to concentrate, monopolize, and financialize. Declaring that capitalism in the 20th century had transitioned to a new stage dominated by monopolies and finance capital, a word he used to describe the merger of big banks and industry. In Marx's era capitalism was rooted in the principle of "free competition" where the state was supposed to leave the market alone as much as possible, so that the bourgeoisie and the invisible hand of the market could manage production themselves. But over time as capitalism developed the principle of free competition dialectically transformed into its opposite, monopoly, or control of the entire market by a handful of corporations and finance capitalists. Over time small banks were merged together with large ones, petty producers (small business owners) were bought out by giant corporations, family farms were absorbed by corporate factory farms, the biggest banks made alliances with the biggest industrialists, and together they turned entire governments into their puppets, into nothing but financial oligarchies. And all this created a situation in which there are no free markets, but rather, the markets are dominated by giant corporations being propped up by a steady stream of government subsidies and credit from their friends in the financial sector.

With the rise of monopolization capitalism also moved to increased central economic planning, but not central planning on behalf of the workers as Communists of that era were calling for, but central economic planning on behalf of the ruling financial elite. What senator Bernie Sanders might call "socialism for the rich." The merger of the big industrialists with the big banks into what we call finance capital gave them immense power to control the national currency supply and inject money wherever they saw fit. And these economic powers were only increased as finance capital continually merged together with the State, a development which accelerated greatly after Lenin's death.

The rise of monopoly, finance capital, and central planning allowed the capitalist class to stabilize the capitalist system somewhat and thereby protect their own positions within it. The US Federal Reserve was established in 1913 after the financial crisis of 1907, known as the knickerbocker crisis, created massive distrust of Wall Street and the class of financial elites. The Fed functioned as a centralized mechanism for controlling the currency and credit

supply and was used to artificially prop up finance capital during times of crisis. And today it operates in the same way, bailing out the big banks whose predatory lending practices created the 2008 financial crisis.

An even greater merger of finance capital and the State occurred at the Bretton Woods Conference in 1944 as World War II was drawing to a close. Two aforementioned global financial institutions were established in the IMF and World Bank, both headquartered in Washington D.C. This represented an unprecedented transfer of financial power into the hands of the United State Government and the class of financial elites, and an incredibly powerful mechanism for centrally planning the entire global economy. Since then, thousands of subsidiary banks have been established worldwide as extensions of the IMF and World Bank. And these smaller banks consistently safeguard American interests, by example, promoting the use of the U.S. dollar in international transactions, or offering predatory loans to farmers in the third world to collect interest payments. All of these smaller banks orbit around the central authority of the US State and financial system, which have now become merged into one predatory imperialist entity.

Shortly after the formation of the IMF and World Bank, the Central Intelligence Agency (CIA) was created in 1947—and the creation of these institutions was not unrelated. Any world Government who didn't allow their country to be penetrated by Western financial institutions were swiftly targeted for regime change by the CIA, who have attempted over 50 regime change efforts since the end of World War II, just counting the ones that are now public knowledge. As soon as a non-compliant government is overthrown, the IMF, World Bank, private banks, and multinational corporations rush in to seize as much of the economy as possible. And thus, US financial dominance and control of the currency supply is ultimately enforced through the barrel of a gun.

**The Conditions for the Possibility of Socialism**

Capitalism's inherent tendencies toward the concentration of capital and monopolization of markets have led to the death of free competition and to the rise of central economic planning on a capitalist basis. What bourgeois economists would call a command economy instead of a market economy. The primary purpose of central banking is to take power out of the hands of individual capitalist banks competing with one another in the market and place it in the hands of a centralized authority. It is a mechanism for taking full control of society's currency supply so that it can be used in the service of the

capitalist class. And for centuries the capitalist class has felt the impulse to create institutions such as these in order to stabilize the system and entrench their own power.

But this does not mean that we are living under Communism, as many conservative Americans believe, because our society is still cleaved into two main classes of workers and exploiters. Thus, production is not centrally planned on the basis of what's best for the working class - the majority of society - rather than advancing the interests of those who own the means of production, the capitalists. The IMF and World Bank are mechanisms for central economic planning, but they function in order to profit the wealthiest people on the planet to the detriment of the vast majority of the global population.

And these trends are right in line with the Marxist conception of how capitalism creates the conditions for the possibility of socialism. Consider the following three quotes from *A Contribution to the Critique of Political Economy* and *Capital Vol I* Respectively.

> *"At a certain stage of development, the material productive forces of society come into conflict with the existing relations of production… From forms of development of the productive forces these relations turn into their fetters. Then begins an era of social revolution."*[6]
>
> *"The bourgeoisie, historically, as played a most revolutionary part… It has created enormous cities, has greatly increased the urban population as compared with the rural, and has thus rescued a considerable part of the population from the idiocy of rural life... The bourgeoisie cannot exist without constantly revolutionizing the instruments of production... and thereby the relations of production, and with them the whole relations of society."*[7]
>
> *"The economic structure of capitalist society has grown out of the economic structure of feudal society. The dissolution of the latter set free the elements of the former."*[8]

---

6. Karl Marx, "Preface to a Contribution to the Critique of Political Economy," *Marxists Internet Archive* (1977): https://www.marxists.org/archive/marx/works/1859/critique-pol-economy/preface.htm

7. Karl Marx and Frederick Engels, *Manifesto of the Communist Party* (Moscow: Progress Publishers, 1969), 17.

8. Karl Marx, *Capital: A Critique of Political Economy, Volume I* (Moscow: Progress Publishers, 1887), 505.

The point I want to make in highlighting these quotes is that capitalism underwent many years of development WITHIN Feudalism, when Feudalism was still the dominant mode of production. It was through the development of the means of production, industry, and commerce that the bourgeois class was strengthened while operating WITHIN Feudal structures (specifically in Europe where capitalism first developed). Until eventually the feudal relations of production became untenable, they became a fetter on production in general, as economic affairs were continually mismanaged by the Feudal monarchs. This led to uprisings from the peasant classes and the emergent bourgeoisie who eventually swept the Feudal relations of production aside, replacing them with Capitalist relations.

And in the same way that Capitalism developed within the bowels of Feudalism, socialism is developing within the bowels of capitalism. More and more with time the anarchy and instability of the capitalist system gives the bourgeoisie impetus to control production and markets through central economic planning, and they create all sorts of new mechanisms for doing so. The development of production, and capitalism's natural tendency towards accumulation and concentration has turned capitalist relations into a fetter on production in general. There can be no free market anymore unless we are somehow to roll back the wheel of history. The vast majority of the global economy is controlled by multinational monopolies and Western-based finance capital.

But the capitalist class will never be able to stabilize the system fully or resolve its contradictions so long as they continue to live like parasites off the backs of the working masses, which is the only mode of life they know. The only solution is to sweep capitalist relations of production aside and replace them with socialist relations. And the only way this will come about is through a proletarian revolution.

But the elements of a socialist society have already been created for us by the capitalist class. As Marx says in the Manifesto "What the bourgeoisie, therefore, produces, above all, are its own gravediggers. Its fall and the victory of the proletariat are equally inevitable."[9] For years the Austrian school of bourgeois political economy claimed that it was impossible to have a centrally planned economy, but today we live in an economy that is centrally planned by the richest people in our society. All that's left to do is for the working class to seize hold of the federal reserve, the IMF and World Bank, the giant private

9. Marx and Engels, Manifesto of the Communist Party, 21.

banks, etc. and use them to invest in development projects, education, healthcare, etc. instead of endless war spending and artificially propping up the credit schemes of the finance capitalists.

**Fiat Currency as the Socialist Money Form**

Now let us bring this back to currency and the money form. In addition to developing the necessary means for centrally planning an economy, I suspect that capitalism has also helped create the form of "money" that will be used in future socialist economies. The real backers of fiat currency today are oil, public trust, and powerful capitalist States which maintain a monopoly on the use of violence and enforce their preferred system of currency through the barrel of a gun. But beyond this, fiat money is an abstract representation of human labor time in a digital or paper form. What money grants you is the ability to control labor, either past labor which is embodied in the commodities you buy, or living labor that you can employ to work for you.

In Paul Cockshott's *Towards a New Socialism,* which attempts to lay a possible basis for calculating a centrally planned economy under a future socialist system, he suggests that money in its capitalist form will be sublated and replaced with a new mediator of exchange based on a calculation of total labor inputs. So essentially you get out of the economy what you put into it and therefore can receive the whole value of what you produce, unlike under capitalism where unpaid labor is extracted by the capitalist in the form of surplus value.

Such a currency would be impossible if money were still directly tied to gold. It would be patently absurd to give every worker a chunk of gold for every hour of labor time that they put in, when that labor can be calculated and represented digitally or with a piece of paper. Fiat creates the possibility of a digitally calculated and abstract money supply, which could have great utility under a socialist system if tweaked in various ways.

Fiat currency also gives the State and the financiers the ability to pump credit and money wherever it's most needed, which in their perspective is into the hands of the ultra-wealthy, especially during times of crisis. Such flexibility would be very useful, especially in the early stages of socialism where massive investments will need to be made in infrastructure, public transportation, education, energy production, science, healthcare, and all the other important public sectors that have decayed under capitalism. Under a socialist system it

would make no sense to allow gold quantities to limit our investments in these important sectors.

Beyond being a measure of labor power, fiat money is also a mechanism for measuring debts. Remember that the origins of the banknote itself are in the loans given out by the capitalist credit system. Originally, they represented money that was owed to the bank which they gave you to use as a mediator of exchange in the meantime. Today the net worth of many Americans is in the negatives, and this debt is of course quantified in fiat currency as well.

However, because this debt is calculated and stored in a computer or on a piece of paper, it can be wiped out just as easily as it was created. Many of the richest people in our society make the lion's share of their profits by trapping others in debt and then charging them interest in order to accumulate more fiat currency for themselves. This is the kind of unbridled parasitism that fiat currency allows when it’s operating within the capitalist mode of production. But under a socialist State the debts could easily be wiped out, and the mechanisms for controlling fiat currency could be repurposed to work in the interests of the working classes.

Under capitalism, fiat currency provides the capitalist class with the flexibility to trap people in endless sums of debt and to spend infinite quantities of money on war. Under socialism, fiat currency provides the working class with the flexibility to fund the most necessary sectors of our economy which have been decaying for decades now under capitalism. What’s needed is a political revolution by the working masses, the seizure of political power, in order to use the economic planning mechanisms created by capitalism in the service of socialism, and the working class.

## Conclusion

The transformation from commodity money to fiat currency is a massive qualitative shift, a revolution, in the operations of the capitalist mode of production. And as such, it opens the door to many new questions and pathways of inquiry which I fully intend to go down in future essays. For now, we must limit ourselves to tracing the historical development of fiat currency and the role that it plays in the transformation from capitalism to socialism, and the rise of central economic planning over free market competition.

I do not claim to be the foremost expert in this field and comradely criticism is more than welcome. As was stated before, the process of developing new theory is always a collective one, and I look forward to working together with my comrades in order to expand upon our analysis of capitalism in the modern era.

Below is a list of fiat currency related topics that I intend to tackle in future essays:

- The role of the stock market in the accumulation and concentration of capital
- Fractional reserve banking and the “infinite money glitch”
- The accumulation of fictitious vs real capital
- Speculation as a method of accumulation
- The effect of fiat currency on the labor theory of value

# 4

# Neither Washington nor Moscow? The Cowardly "Both-Sidesism" of the U.S. Left

Jonathan Brown[1]

1. Jonathan Brown teaches high school social studies in Athens, Georgia, where he inspires students with his deep passion for exploring society and history. He also teaches sociology as an adjunct professor at Athens Technical College. Jonathan holds a bachelor's degree from the University of Georgia and a master's degree from California State University, Northridge, where he studied culture and politics from a Marxist perspective. Outside the classroom, Jonathan plays guitar in a punk rock band and is an active member of the Jewish anti-Zionist community. He is a committed member of the American Communist Party. Jonathan is the co-host of the Praxis Report, a podcast focusing on revolutionary theory and political analysis.

## Introduction

> *"*You can't be neutral on a moving train… events are already moving in certain deadly directions, and to be neutral means to accept that*."*
>
> - Howard Zinn[2]

There is a basic moral principle widely accepted across the progressive left that neutrality in the face of injustice aids the oppressor, not the victim. Howard Zinn's famous metaphor of the "moving train" captures the essence of this view: we must always take sides in the face of oppression. Remaining neutral creates a false equivalence between the oppressor and the victim, and therefore aids the oppressor under the guise of fairness to both sides.

This moral imperative against neutrality has deep roots in all three Abrahamic religions, and can be traced back to the prophetic traditions of the Hebrew Bible.[3] The ancient prophets spoke out on behalf of the poor and downtrodden, condemning the injustices committed by the powerful in their own time. The prophet Isaiah, for example, proclaimed: *"learn to do right; seek justice. Defend the oppressed. Take up the cause of the fatherless; plead the case of the widow,"* and warned, *"woe to those who make unjust laws… to deprive the poor of their rights and withhold justice from the oppressed of my people."*[4] For generations, American leftists interpreted this prophetic moral vision through the lens of domestic class struggle: to defend the powerless against the wealthy plutocrats. This tradition has echoed through 20th century labor union battles — immortalized in the folk song *Which Side Are You On?* — and the Civil Rights Movement, where Martin Luther King Jr. famously warned: *"The hottest place in hell is reserved for those who remain neutral in times of great moral conflict."*[5]

---

2. Howard Zinn, *You Can't Be Neutral on a Moving Train: A Personal History of Our Times* (Boston: Beacon Press, 1994).

3. Balfour Brickner, *Searching the Prophets for Values* (New York: Union for Reform Judaism Press, 1981).

4. Rabbi Baroness Julia Neuberger, "Tikkun Olam – The Message of Reform Judaism," *The Movement for Reform Judaism* (June 26, 2012): https://www.reformjudaism.org.uk/tikkun-olam-the-message-of-reform-judaism/

5. Bill Murphy Jr., "17 Inspirational Quotes From Martin Luther King Jr. About Speaking Up When It Matters," *Inc.* (January 12, 2018): https://www.inc.com/bill-murphy-jr/17-inspirational-quotes-by-martin-luther-king-jr-about-speaking-up-when-it-matters.html

It is therefore deeply ironic that when it comes to international politics — particularly questions of imperialism — the U.S. left so often abandons this moral imperative. Rather than stand with the oppressed nations of the world in their struggle against Western domination, much of the left embraces neutrality, condemning "both sides" and refusing to take a clear stand against U.S. imperialism.

Nowhere is this betrayal more evident than in the case of the North Atlantic Treaty Organization (NATO) war against the Russian Federation and the Special Military Operation (SMO) in Ukraine. Here, many on the left adopt a cowardly position of moral neutrality: acknowledging that U.S. imperialism is bad, but insisting that Russia is also an imperialist power that must be condemned. This logic has a long and sordid history — rooted in Trotskyite hostility to the USSR and carried forward by elements of the New Left during the Cold War. Its most recognizable slogan — *"Neither Washington nor Moscow, but International Socialism"* — appears principled on the surface, but in practice serves as a fig leaf for political passivity. I refer to this ideological stance as "*both-sidesism*" — a logic that enables leftist accommodation with U.S. imperialism by masking inaction as moral consistency. In truth, both-sidesism undermines international solidarity with nations resisting U.S. imperialism — particularly those with socialist legacies or ambitions — and disorients the American working-class by falsely equating imperialist aggression with anti-imperialist resistance.

In this paper, I examine the historical roots of both-sidesism, tracing its development from Trotskyism, the New Left, and into contemporary socialist parties today. I argue that the impulse to condemn both sides in anti-imperialist struggles reflects a broader failure of left-wing parties that operate inside the imperial core, which is a result of opportunism, a tacit acceptance of Cold War anti-communist doctrine, and petty-bourgeois individualism. At its core, both-sidesism is a capitulation to Western imperialism, a betrayal of the working-class, and rejection of the very moral principles the left claims to uphold.

Russia's SMO — properly conceived as an anti-imperialist action taken against NATO encirclement and Nazi aggression — is a litmus test for the U.S. left, one that, sadly, the left has largely failed. However, the reaction of U.S. socialist parties to Russia's SMO provides a perfect case study of how both-sidesism operates as a means of preventing the emergence of a genuine anti-imperialist movement. Only a proper Marxist-Leninist anti-imperialist

strategy — one that rejects neutrality, names the enemy clearly, and stands unambiguously with the oppressed against empire — can reorient socialists towards their revolutionary task: the defeat of imperialism and the liberation of the world's exploited and colonized peoples.

In the sections that follow, I present a comprehensive Marxist-Leninist analysis of imperialism, identifying its defining features and distinguishing it from the liberal-idealist distortions that dominate contemporary discourse. I then trace the historical development of both-sidesism, from its origins in Trotskyite opposition to the Soviet Union to its reappearance in the present-day left. Building on this foundation, I apply a rigorous anti-imperialist framework to the case of Russia's SMO, situating it within the broader context of NATO expansion and U.S. imperial aggression. Finally, I examine the official statements issued by major U.S. socialist parties in response to the SMO, demonstrating how their adherence to Trotskyite both-sidesism and opportunistic sloganeering ultimately aligns them with the foreign policy consensus of the Democratic Party. I conclude by arguing that the American Communist Party (ACP) stands virtually alone in articulating a principled, Marxist-Leninist position — one that recognizes the SMO as part of a global anti-imperialist struggle.

## What is Imperialism?

Before we can properly examine how both-sidesism manifests on the U.S. left we must first address a more fundamental question: *what is imperialism?* Broadly speaking, there are two dominant ways of conceptualizing imperialism. The first, prevalent in mainstream academia, is rooted in liberal idealism. The second, grounded in Marxist-Leninist theory, approaches imperialism through the lens of dialectical-materialism. What follows is a critical comparison of these two frameworks, with particular attention to their differing theoretical implications.

Mainstream academic accounts of imperialism tend to share three key limitations. First, they rely on depoliticized abstractions that reduce imperialism to vague notions of political aggression, territorial occupation, or soft-power influence — essentially framing it as "when one country goes to war with or influences another." For instance, historian Harrison M. Wright defines imperialism as a condition in which one sovereign political entity

imposes inequality on another.[6] The problem with such a definition is its excessive generality: it is so broad that virtually any state action could qualify as imperialist. This leads to absurd conclusions — for example, labeling revolutionary uprisings against feudal monarchies as imperialist because they "imposed inequality" on aristocratic classes, or portraying the Allied defeat of the Axis powers in World War II as an imperialist venture for imposing unequal terms on Nazi Germany.

Second, the mainstream academic view treats imperialism as a timeless, transhistorical phenomenon, rather than situating it within the specific historical development of capitalism. This approach relies on an abstract universality that collapses vastly different social formations — ancient empires, colonial conquests, and modern wars of aggression — into a single, undifferentiated category. For instance, Cornell Law School's legal glossary uses the term "imperialism" to refer to everything from nineteenth-century European colonial expansion to the ancient empire of Alexander the Great.[7] In this view, imperialism is not a stage of economic development but a general tendency for stronger powers to dominate weaker ones — regardless of historical context, mode of production, or class structure.

Finally, mainstream academia tends to ignore the underlying material basis of imperialism. Liberal scholars frequently overlook the economic drivers of imperialism — such as monopoly capital, financialization, and the export of surplus capital. Instead, imperialism is framed almost entirely in terms of the political superstructure: state behavior, diplomacy, or military policy, with little attention given to the economic base that actually determines these phenomena. One example is the definition provided by *Encyclopedia Britannica*, which describes imperialism as "a state policy, practice, or advocacy of extending power and dominion, especially by direct territorial acquisition or by gaining political and economic control of other areas."[8] Such definitions are so broad and ahistorical that they risk equating any state that engages in trade, diplomacy, or regional influence with imperialism — regardless of its internal class structure or global position in the capitalist system. The purpose of these apolitical and ideologically neutral definitions is to allow academics to label

---

6. Harrison M. Wright, "Imperialism: The Word and Its Meaning," *Social Research* 34, no. 4 (Winter 1967): 660–674.

7. Wex Definitions Team, "Imperialism," *Cornell Law School Legal Information Institute* (April 2022): https://www.law.cornell.edu/wex/imperialism

8. The Editors of Encyclopedia Britannica, "Imperialism," *Encyclopedia Britannica* (April 21, 2025): https://www.britannica.com/topic/imperialism

socialist or post-colonial states as imperialist, thereby equating them morally and politically with the imperialist powers of the capitalist core.[9]

In comparison, Marxist-Leninists argue that mainstream academia's conceptualization of imperialism is guilty of flattening history and obscuring the specific economic system that gives modern imperialism its character. In other words, imperialism is not just abstract political domination — it is a stage of capitalist development.[10] Although Karl Marx and Friedrich Engels did not put forth a comprehensive theory of imperialism themselves, they laid the groundwork for a materialist analysis of imperialism during its early stage of colonial expansion.[11] In the Communist Manifesto, Marx and Engels noted that capitalism began to emerge in England, and then spread throughout the globe, drawing all nations into its orbit.[12] Capitalism, having created a world market, "*compels all nations, on pain of extinction, to adopt the bourgeois mode of production; it compels them to introduce what it calls civilisation into their midst, i.e., to become bourgeois themselves. In one word, it creates a world after its own image.*"[13]

In the midst of the First World War, Vladimir Lenin updated Marx and Engels' analysis to take into account subsequent developments — namely, the rise of monopoly capitalism.[14] Lenin's work remains the definitive account of imperialism in the Marxist tradition, aimed at providing an analytical framework rooted in political-economy that would contrast with both the mainstream liberal academic theories of the time, as well as the reformist, pacifist, and opportunistic views that gained prominence in the social-democratic movement in Western Europe during the war.[15]

To begin, Lenin explicitly distinguishes his use of the term imperialism from earlier forms of empire:

---

9. Minqi Li, "China: Imperialism or Semi-Periphery?" *Monthly Review* (July 1, 2021): https://monthlyreview.org/2021/07/01/china-imperialism-or-semi-periphery/

10. Bade Onimode, *An Introduction to Political Economy* (London: Zed Books Ltd., 1985), 228.

11. Anthony Brewer, *Marxist Theories of Imperialism: A Critical Survey*, 2nd ed. (New York: Routledge, 1990), 53.

12. Karl Marx and Friedrich Engels, "Manifesto of the Communist Party," in *Marx & Engels: Basic Writings on Politics & Philosophy*, ed. Lewis S. Feuer (New York: Anchor Books, 1959), 8-9.

13. Ibid, 11.

14. Brewer, *Marxist Theories of Imperialism,* 88-89.

15. V.I. Lenin, *Imperialism, the Highest Stage of Capitalism: A Popular Outline*, originally published 1916; (Mansfield Centre, Connecticut: Martino Publishing, 2011), 15.

> "Colonial policy and imperialism existed before this latest stage of capitalism, and even before capitalism. Rome, founded on slavery, pursued a colonial policy and practiced imperialism. But the 'general' disquisitions on imperialism, which ignore or put into the background the fundamental difference between socio-economic systems, inevitably turn into the most vapid banality…"[16]

Here, Lenin warns against defining imperialism in purely political or geographic terms (i.e., one state ruling another), without analyzing the underlying mode of production. Ancient Rome, he acknowledges, pursued imperial conquest — but within a slave-based economy, not capitalism. Similarly, the maritime empires of Spain, Portugal, and Britain during the mercantilist period were engaged in violent conquest, plunder, and slavery — but these were part of what Marx called *primitive accumulation*, the bloody birth process of capitalism.[17]

> *"*The discovery of gold and silver in America, the extirpation, enslavement and entombment in mines of the aboriginal population, the beginning of the conquest and plunder of India, and the conversion of Africa into a warren for the commercial hunting of black-skins, signalized the rosy dawn of the era of capitalist production*."*[18]

What Lenin calls "imperialism" in the strict sense refers to a qualitatively new phase of global domination arising in the late 19th and early 20th centuries. This modern imperialism emerges not from feudalism, slavery, or mercantilism, but from capitalism itself — specifically its monopolistic stage.[19] By the 1870s, competitive capitalism gave way to monopolies, finance oligarchies, and the export of surplus capital in search of new markets and profits.[20] In this phase, national industrial capital is fused with banking capital to form finance capital, and the division of the world among imperialist powers reflects not mere military ambition, but the economic logic of capitalist overaccumulation.

---

16. Ibid, 81-82.
17. Onimode, *An Introduction to Marxist Political Economy*, 229.
18. Karl Marx, *Capital: A Critique of Political Economy*, *Vol. 1, Book One: The Process of Production of Capital*, originally published in German 1867, (Moscow: Progress Publishers), https://www.marxists.org/archive/marx/works/1867-c1/index.htm
19. John Eaton, *Political Economy: A Marxist Textbook* (New York: International Publishers, 1966), 186-191.
20. Lenin, *Imperialism the Highest Stage of Capitalism*, 47

In this light, earlier empires were certainly violent and expansionist — but they lacked the structural basis that defines modern imperialism. Rome extracted tribute. Columbus plundered gold and enslaved native peoples. Britain in the 1700s colonized India for trade dominance. But by the 20th century, imperialism no longer served monarchs or merchant guilds — it served finance capital, trusts, and industrial monopolies, bound together by the global capitalist system. To Lenin, then, it is a fundamental error to treat imperialism as a timeless apolitical abstraction. All imperialism involves domination, but not all domination is imperialism in the Marxist-Leninist sense. Only when domination arises as a necessary outgrowth of capitalist monopolies and capital export does it become the imperialist phase of the capitalist mode of production.

In the decades since Lenin's time, there have been major structural changes in global imperialism that require theoretical understanding. However, rather than invalidating Lenin's theory, these developments have only confirmed and deepened its relevance, while requiring theoretical elaboration to account for new historical conditions. These new developments include the following: the granting of "independence" to the former colonies, the rise of U.S. unipolar domination, and the use of hybrid warfare. Each of these developments will be touched on below.

First, following the Second World War, formal colonialism entered a period of decline. Many formerly colonized nations across Asia, Africa, and Latin America won national independence, dismantling the visible structures of colonial empires.[21] However, the old system of direct colonial rule was replaced by what Kwame Nkrumah has called *neocolonialism* — a regime in which indirect domination through financial, political, and military instruments maintained the subordination of the newly independent states.[22] These countries remained structurally dependent on export-oriented economies, foreign investment, and loans from Western institutions, ensuring the continued extraction of surplus value by imperialist capital.[23]

Second, unlike the earlier period of inter-imperialist rivalry, the post-war era was characterized by a unipolar world order led by the U.S.[24] The barbarity and

---

21. Jan C. Jansen and Jürgen Osterhammel, *Decolonization: A Short History* (Princeton: Princeton University Press, 2017).

22. Kwame Nkrumah, *Neo-Colonialism: The Last Stage of Imperialism* (London: Panaf, 2009), originally published 1965.

23. Bade Onimode, *An Introduction to Political Economy, 236.*

24. Thomas Wright, "The Rise and Fall of the Unipolar Concert," *Brookings* (January 26, 2015): https://www.brookings.edu/articles/the-rise-and-fall-of-the-unipolar-concert/

devastation of the Second World War left much of Europe completely destroyed, allowing the U.S. to emerge as the hegemonic global power.[25] Through the Marshall Plan, the U.S. reconstructed Western Europe — not as a gesture of goodwill, but as a means of absorbing its former imperial rivals as vassal states, subordinated to Washington's strategic and economic objectives.[26] The U.S. cemented its dominance through global economic institutions such as the International Monetary Fund and the World Bank, which ensured the supremacy of the U.S. dollar.

Third, imperialism now increasingly relies on soft power and ideological warfare, rather than direct military occupation.[27] A vast network of NGOs, think tanks, media outlets, academic institutions, and human rights organizations operate as arms of imperialist influence, constructing ideological narratives to justify intervention under the banners of "democracy," "freedom," and "human rights."[28] The language of liberalism is weaponized to cloak aggression, while Western-sponsored uprisings are presented as organic democratic movements.[29] This ideological imperialism selectively targets those nations that refuse to submit to U.S.-led global capitalism, including China, Russia, Iran, Cuba, and the DPRK.

Recognizing these three historical developments since Lenin's time is essential for maintaining a correct Marxist-Leninist analysis of imperialism in the present era. Unfortunately, many socialists in the West misuse Lenin's definition — particularly his emphasis on inter-imperialist rivalry during the First World War — to falsely characterize contemporary global conflict as a symmetrical struggle between competing imperialist powers.[30] This logic is used to justify a both-sidesist stance: that the U.S. and the Russian Federation are both imperialist, and therefore neither deserves support. However, this

---

25. Robert J. McMahon, *The Cold War: A Very Short Introduction* (Oxford: Oxford University Press, 2003), 6.

26. Jussi Hanhimäki and Odd Arne Westad, *The Cold War: A History in Documents and Eyewitness Accounts* (Oxford: Oxford University Press, 2003), 126-128.

27. RT News, "Report Details CIA's Alleged Color Revolution Arsenal," *RT* (May 4, 2023): https://www.rt.com/news/575778-cia-color-revolutions-tech/

28. Jean Bricmont, *Humanitarian Imperialism: Using Human Rights to Sell War* (New York: Monthly Review Press, 2007).

29. TheRevolutionReport, "The American Color Revolution Doctrine – How the US Overthrows Governments Around the World," *The Greanville Post* (September 4, 2024): https://www.greanvillepost.com/2024/09/04/the-american-color-revolution-doctrine-how-the-us-overthrows-governments-around-the-world/

30. Chris Slee, "Russia, NATO and Inter-Imperialist Rivalry," *Links: International Journal of Socialist Renewal* (October 19, 2023): https://links.org.au/russia-nato-and-inter-imperialist-rivalry

interpretation reflects a fundamental misreading of Lenin's method. Lenin's theory was never intended as a static or ahistorical formula. As historical materialists, Marxists understand that our analysis must respond to changes in the global economic and geopolitical order. While inter-imperialist rivalry defined the early 20th century, the present era is shaped by U.S.-led unipolar hegemony, in which imperialism is exercised not through balanced competition among great powers but through the domination of a single imperial core and its vassal states.[31] Western leftists who fail to acknowledge this shift are guilty of applying a century-old framework to contemporary conditions without regard for the material transformations that have occurred over time.

## The Law of Uneven Development

The position of both-sidesism is not merely the result of a confusion over the nature of imperialism. It is also a crude rejection of the relationship between national liberation movements and the broader class struggle. Marxism-Leninism has always held true to advocacy of proletarian internationalism — immortalized by Marx and Engels' famous call for workers of all countries to unite, but this was buttressed by a dialectical understanding of the national question.[32] Marx and Engels recognized that the class struggle manifests itself within national boundaries, and that revolution must begin in one country, not as a simultaneous global act. Proletarian internationalism must be grounded in national revolutions, with the proletariat superseding the bourgeoisie and leading the nation's historical development:

> Though not in substance, yet in form, the struggle of the proletariat with the bourgeoisie is at first a national struggle. The proletariat of each country must, of course, first of all settle matters with its own bourgeoisie …. Since the proletariat must first of all acquire political supremacy, must rise to be the leading class of the nation, must constitute itself the nation, it is so far, itself national, though not in the bourgeois sense of the word.[33]

However, Marx and Engels recognized national differences in capitalism, arguing that the global spread of the market has not occurred evenly, with some

---

31. Midwestern Marx, "Eddie Reacts to Marxist Paul's Video on 'Campism' and Russia Supporters," *YouTube* (May 25, 2022): https://www.youtube.com/watch?v=8TdXt1JSLxM

32. Marx and Engels, *Manifesto of the Communist Party,* 41.

33. Ibid, 19, 26.

countries remaining underdeveloped and dependent upon the advanced Western capitalist nations. As they explain, "*[capitalism] has made barbarian and semi-barbarian countries dependent on the civilised ones, nations of peasants on nations of bourgeois, the East on the West*."[34] These ideas were developed further in Marx's writings on British colonialism in India, where he acknowledged the role industrial capitalist countries play in violently transforming pre-capitalist societies.[35] Marx saw capitalism as developing through conquest and uneven incorporation of colonized nations into the world economy. Lenin further expanded and developed this idea into the law of uneven development under capitalism. As Lenin explained in a 1915 essay,

> Uneven economic and political development is an absolute law of capitalism. Hence, the victory of socialism is possible first in several or even in one capitalist country alone.[36]

Lenin rejected the possibility of a simultaneous socialist revolution across all the advanced capitalist countries, arguing instead that the revolution will not break out at the center, but at the "weakest link" in the imperialist chain where the contradictions are sharpest.[37] Hence, socialist revolutions will arise first in the oppressed and underdeveloped countries, not necessarily in the imperial centers. Indeed, this is precisely what occurred in the Russian Revolution of 1917. The failure of simultaneous revolutions breaking out across Western Europe meant that the Soviet Union had to build socialism on its own while under siege by the capitalist-imperialist powers.

Stalin argued that because the fight against imperialism is the primary contradiction, it is necessary for socialists to lend support to colonized and oppressed nations, even if those nations are not socialist themselves. This is because a blow to imperialism is a victory for socialism, even if the nations resisting imperialism are capitalist. As Stalin explained, "*The revolutionary character of a national movement under the conditions of imperialist*

---

34. Ibid, 11-12.

35. Brewer, *Marxist Theories of Imperialism,* 55.

36. V.I. Lenin, "On the Slogan for a United States of Europe," *Sotsial-Demokrat*, no. 44 (August 23, 1915); in *Lenin: Collected Works*, Vol. 21 (Moscow: Progress Publishers, 1974), 339–343. https://www.marxists.org/archive/lenin/works/1915/aug/23.htm

37. V.I. Lenin, "The Chain Is No Stronger Than Its Weakest Link," *Pravda*, no. 67 (June 9, 1917); in *Lenin: Collected Works*, Vol. 24 (Moscow: Progress Publishers, 1964), 519–520. https://www.marxists.org/archive/lenin/works/1917/may/27.htm

*oppression does not necessarily presuppose the existence of proletarian elements in the movement*."[38]

Advocates of both-sidesism reject this Marxist-Leninist analysis in favor of a utopian, idealist belief in an abstract "international working class" divorced from the material realities of national struggle. This perspective rests on a denial that wars of national liberation can play a progressive, even revolutionary, role in the global proletarian struggle. As the following analysis will show, this worldview originated in Trotskyism, spread through the postwar New Left, and has been revived in our current era of multipolar resistance to U.S. hegemony.

## The Historical Roots of Both-Sidesism

The seeds of both-sidesism were first planted by Leon Trotsky and his followers. Trotskyism, at its core, amounts to a counter-revolutionary doctrine that disguises itself in socialist slogans.[39] Trotsky rejected the idea that socialism could be built in a "backwards" country such as Russia, arguing instead that revolutions must first occur in the "most important" and "more civilized" countries of Western Europe.[40] This led Trotsky to denounce the Soviet Union as what he called a "degenerated workers state," claiming that the revolution had been overtaken by the state bureaucracy.[41] In Trotsky's view, because the socialist revolution failed to spread to the Western capitalist nations, the Soviet Union was doomed to transform into a state where the party bureaucracy — not the working-class — controls the means of production. This argument allowed Trotskyites to take a both-sides position: they denounce capitalism, while also rejecting the Soviet Union. Instead, they flew the banner of the "international proletariat" — fighting for a world revolution that would occur simultaneously in all countries (but dependent primarily on the "more civilized" European nations for its success). Such an attitude primarily appealed to petty bourgeois intellectuals in the West, who desired a pseudo-revolutionary theory to provide

38. J.V. Stalin, *Foundations of Leninism* (New York: Red Star Publishers, 2010), originally published 1924, 68-70.

39. Harpal Brar, Ranjeet Brar, Alexander McKay, and Joti Brar, *Trotsky(ism): Tool of Imperialism* (London: Communist Party of Great Britain, 2024).

40. Moissaye J. Olgin, *Trotskyism: Counter-Revolution in Disguise* (New York: Workers Library Publishers, 1935), https://www.marxists.org/archive/olgin/1935/trotskyism/05.htm

41. Leon Trotsky, *The Revolution Betrayed*, originally published 1936; (Mineola, NY: Dover Publications, 2004).

cover for their neutrality in the face of imperialist aggression against actually-existing socialist states.[42] Indeed, Trotsky's opposition to the Soviet Union was so fanatical that it led him to advocate for the overthrow of the Soviet government — even to the point of secretly collaborating with fascist and imperialist forces to do so.[43] Thus, we can see that even from its historical roots in Trotskyism, both-sidesism ultimately uses revolutionary slogans of neutrality to mask a tacit support for imperialism.

One of Trotsky's most influential followers was Max Shachtman, who articulated the point of view of both-sidesism most clearly with his theory of the "third camp," arguing that the Soviet Union and the United States each formed opposing imperialist camps, and that the working-class must reject both sides by forming its own independent camp.[44] This idea became a rallying point for Trotskyites in the West, under the slogan of, "*Neither Washington nor Moscow, but International Socialism*."[45]

Shachtman attempted to justify this theory by appealing to the policy of the Bolsheviks during the First World War, in which it was argued that the proletariat should not take sides in a war between the European imperialist powers. However, this analogy contained an obvious flaw: the Soviet Union was neither capitalist nor an imperialist power, so how could an analogy based on the inter-imperialist rivalries of World War I apply? To get around this, Shachtman argued that the Soviet Union had become an imperialist power by acquiring territory, resources, and expanding its administrative control to serve the material interest of the bureaucracy.[46] Thus, although the Soviet Union was not capitalist, its foreign policy was nonetheless dictated by imperialistic expansion, not proletarian self-rule.

The theory of the third camp led Shachtman to a number of significant conclusions. First, he argued that defending the Soviet Union would not be a victory for socialism, but rather tantamount to taking sides in an

---

42. Olgin, *Trotskyism:* https://www.marxists.org/archive/olgin/1935/trotskyism/15.htm

43. Grover C. Furr, *Leon Trotsky's Collaboration with Germany and Japan* (Kettering, OH: Erythros Press & Media, 2018).

44. Max Shachtman, "Against Both War Camps – For the Camp of World Labor!" *Labor Action*, (May 1940): 1–2. https://www.marxists.org/archive/shachtma/1940/05/mayday.htm

45. David Bush, "Neither Washington Nor Moscow: Origins and Applying It Today," *Counterfire* (January 8, 2018): https://www.counterfire.org/article/neither-washington-nor-moscow/

46. Sheila McGregor, "Neither Washington nor Moscow," *International Socialism* 2:97 (Winter 2002): https://www.marxists.org/history/etol/newspape/isj2/2002/isj2-097/mcgregor.htm

inter-imperialist conflict.[47] Second, he advocated for revolutionary defeatism of all imperialist countries – including the Soviet Union. Third, he called for the construction of a third camp that he described as "*the camp of proletarian internationalism, of the socialist revolution, of the struggle for the emancipation of all the oppressed*."[48] Although Shachtman initially denied claims that his third camp was neutral (he argued that it actively fought on behalf of world socialist revolution), by the 1960s he had descended into a full-blown defender of Washington, supporting the Bay of Pigs invasion of Cuba and the bombing of Vietnam.[49]

Another major trend in the history of both-sidesism is the rise of the New Left and democratic socialist politics in the 1960s. Whereas the Trotskyites at least paid lip service to a class struggle and proletarian revolution (even while opposing socialist states in practice), the New Left rejected any sort of class politics altogether. In 1960, the radical sociologist C. Wright Mills published his infamous "*Letter to the New Left*," which laid the ideological groundwork for much of New Left ideas that followed.[50] This letter serves as a perfect illustration of the both-sidesist thinking of the 1960s generation, expressing a mood of pessimism and defeatism, wrapped up in radical phraseology. In the letter, Mills denounced both the U.S. and the Soviet Union as authoritarian. He rejected both liberalism and communism as ideological dead-ends. He denied the revolutionary potential of the working-class, instead arguing that the agency of change has now shifted towards students and intellectuals. Despite all this, Mills defined himself as a "plain Marxist" — a term he counterposed against the "vulgar Marxists" who supported the Soviet Union.[51]

The ideology of the New Left was a reflection of the trends of the political-economy of postwar American society, with a booming economy, growth of professional-managerial occupations, a strong welfare state, and increased labor union bargaining power.[52] In this milieu of postwar prosperity,

---

47. Max Shachtman, "The Soviet Union and the World War," *New International* 6, no. 3 (April 1940): 68–72. https://www.marxists.org/archive/shachtma/1940/04/ussrwar.htm

48. Carlos Martinez, "Neither Washington Nor Beijing?" *Invent the Future* (February 2021): https://invent-the-future.org/2021/02/neither-washington-nor-beijing/

49. David North, "Trotsky's Last Year," *World Socialist Web Site* (August 19, 2020): https://www.wsws.org/en/articles/2020/08/20/anni-a20.html

50. C. Wright Mills, "Letter to the New Left," *New Left Review*, no. 5 (September–October 1960): https://www.marxists.org/subject/humanism/mills-c-wright/letter-new-left.htm

51. C. Wright Mills, *The Marxists* (New York: Dell Publishing, 1962), 96.

52. Jonathan Brown, "The Crisis of Neoliberal Capitalism: The Limits of Populism and the Necessity of Socialist Transformation," *Red America: Journal of the American Communist Party*, no. 8 (June 2025): 63 – 85.

the New Left existed to defang the revolutionary spirit of Marxism in order to create a new generation of leftists who were compatible with the Cold War anti-communist orthodoxy.[53] In this context, both-sidesism thrived.

The ideological traditions of Trotskyism and New Leftism converged in 1982 with the formation of the Democratic Socialists of America (DSA), which was founded by Michael Harrington, a protege of Max Shachtman.[54] Harrington shared his mentor's opposition to the Soviet Union, which he rejected as "authoritarian." He also embraced the New Left political tradition and saw students, youth, and intellectuals as bastions of organizing potential. He held the position that the New Left should explicitly exclude communists.[55] Harrington claimed, "*I am anti-communist on principle because I am pro-freedom*."[56] His goal was to build a socialist movement that would represent the "left wing of the possible within the Democratic Party."[57] The DSA has since gone on to become the largest socialist organization in America, where it carries on the ideological tradition of Shachtman and Harrington in opposing socialist states under the doctrine of both-sidesism.

Having traced the historical roots of both-sidesism in the Trotskyite and New Left rejection of actually existing socialism — often amounting to a tacit capitulation to Western imperialism — we now turn to the case of Russia's SMO to examine how this ideological position manifests in contemporary politics.

## The Russian Special Military Operation in Historical Context

In the Western imperial core, the public has been inundated with propaganda and disinformation aimed at demonizing Russia and reviving a Cold War

---

53. Gabriel Rockhill, "The CIA & the Frankfurt School's Anti-Communism," *The Philosophical Salon* (June 27, 2022): https://thephilosophicalsalon.com/the-cia-the-frankfurt-schools-anti-communism/

54. AWL, "Max Shachtman and His Legacy," *Workers' Liberty* (August 30, 2012): https://www.workersliberty.org/story/2012/08/30/max-shachtman-and-his-legacy

55. Todd Gitlin, *The Sixties: Years of Hope, Days of Rage* (New York: Bantam, 1993), 377–409.

56. Eric London, "The Significance of the Democratic Socialists of America's Call for US War Against Russia Until 'Ukrainian Victory,' " *World Socialist Web Site* (October 30, 2022): https://www.wsws.org/en/articles/2022/10/31/deso-o31.html

57. Victor Navasky, "The Left Wing of the Possible," The New York Times (May 28, 2000): https://www.nytimes.com/2000/05/28/books/the-left-wing-of-the-possible.html

mentality.[58] To understand Russia's SMO from a Marxist-Leninist perspective, we must undertake a historical-materialist analysis of Russia's long-standing and antagonistic relationship with the West. Only through such an analysis can we develop a position on the SMO that is dialectical, materialist, and firmly rooted in the principles of anti-imperialism.

The origins of modern Russian civilization can be traced to the medieval state of Kievan Rus, established in the mid-9th century and serving as a shared ancestral foundation for the modern nations of Russia, Ukraine, and Belarus.[59] Although for most of its history, Russia was a very poor country, it possesses rich natural resources, such as oil, natural gas, and other abundant minerals.[60] It is for this reason that Russia has been targeted by would-be invaders from the West for centuries. In 1812, Napoleon invaded Russia with the largest land army ever assembled in Europe.[61] The war was brutal and devastating, but ended in humiliating defeat for Napoleon. As a result, Napoleon's invasion remains to this day a reminder of Russia's vulnerability to attack from the West.

Since that time, Russia would be invaded again and again by the Western powers. After the 1917 revolution, the Western countries were appalled by Bolshevik's desire for unilaterally withdrawing from World War I, and by their repudiation of Tsarist debts.[62] In 1918, Britain, France, Japan, and the U.S. launched a military invasion of the Soviet Union with the goal of "strangling the Soviet baby in its cradle."[63] Although the foreign powers were unsuccessful in toppling the new Soviet government, this intervention further devastated the Russian economy and increased mistrust between Russia and the West.

In the years that followed, the Western capitalist powers treated the Soviet Union with open hostility, despite Soviet attempts at cooperation. Lenin had offered to open up Russia's rich mineral resources to American trade, but to his

---

58. William I. Robinson, "What Are the Real Reasons Behind the New Cold War?" *Midwestern Marx* (May 18, 2021): https://www.midwesternmarx.com/articles/what-are-the-real-reasons-behind-the-new-cold-war-by-william-i-robinson

59. Jeremy Black, *A History of the World: From Prehistory to the 21st Century* (Malaysia: Arcturus Publications, 2019), 75.

60. Frank Capra (dir.), *Why We Fight: The Battle of Russia*, produced by the U.S. Department of Defense, (1942). Digitized by the U.S. National Archives, *YouTube* (March 17, 2015): https://www.youtube.com/watch?v=WrKDBFJoo2w&t=1816s

61. John M. Thompson, *Russia and the Soviet Union: An Historical Introduction from the Kievan State to the Present* (Boulder, CO: Westview Press, 2004), 146

62. Martin McCauley, *Stalin and Stalinism*, 3rd ed. (London: Routledge, 2013), 16.

63. Jussi Hanhimäki and Odd Arne Westad, *The Cold War,* 1.

surprise, the U.S. refused this offer.[64] President Woodrow Wilson was firm in his conviction that the Soviet Union had to be destroyed and refused all of Lenin's diplomatic overtures. In fact, the U.S. refused to diplomatically recognize the Soviet Union until Roosevelt became president.[65] Throughout the 1930s, the Soviet Union attempted to forge a common defense alliance with the U.S. to contain the threat of fascism, but the U.S. refused.[66] This led Stalin to conclude that the Soviet Union could not trust the West and had no choice but to rapidly industrialize to prepare to defend itself alone.[67]

Sure enough, the Nazis launched a massive invasion of the Soviet Union in 1941. It was widely known that Hitler saw communism as his greatest threat and knew that world domination, his goal, could not be achieved without a war against the Soviet Union.[68] For many capitalist leaders in the West, however, fascism was preferable to communism. It is for this reason that the Western powers delayed opening a second front in Europe, leaving the Soviet Union to bear the brunt of the German onslaught.[69] Tragically, the Soviet Union's victory over the Nazis came at the cost of 27 million Russian lives — a death toll that far exceeded the losses faced by the U.S.[70]

In the immediate aftermath of the war, the Soviet Union desired security guarantees after having suffered such a massive invasion. However, it soon became clear that the Western capitalist powers would never recognize the legitimate security needs of the Soviet Union.[71] Instead, the Anglo-American alliance began to aggressively direct its economic, political, and military might against the Soviet Union. The U.S. and Britain justified this to the public under the guise that the Soviet Union was a "threat" that was creating an "Iron Curtain" around Europe.[72] But in reality, U.S. leaders were well-aware that the Soviets had no plans, desire, or ability to invade Western Europe. Instead, what actually motivated the Anglo-American powers was the fear that communism

---

64. John Lewis Gaddis, *Russia, the Soviet Union, and the United States: An Interpretive History* (New York: McGraw-Hill Publishing Company, 1990), 88-89.

65. Martin McCauley, *Stalin and Stalinism*, 5.

66. John Lewis Gaddis, *Russia, the Soviet Union, and the United States, 117 – 143.*

67. Thompson, *Russia and the Soviet Union,* 218.

68. Martin McCauley, *Stalin and Stalinism*, 7.

69. Oliver Stone, *The Putin Interviews* (New York: Skyhorse Publishing, 2017), 46

70. Bradley Blankenship, "27 Million Soviet Citizens Lost Their Lives Fighting the Nazis, Westerners Comparing USSR to Hitler's Germany Insult Their Memory," *RT* (May 8, 2021): https://www.rt.com/russia/523213-soviet-union-nazis-victory-day/

71. Robert J. McMahon, *The Cold War,* 10–11.

72. Jussi Hanhimäki and Odd Arne Westad, *The Cold War,* 47–49.

would spread in popularity across wartorn Europe.[73] This led to decades of brutal U.S. military interventions around the world, toppling dozens of governments who embraced communism or merely nationalized segments of their economy.[74]

One of the most insidious aspects of Western Cold War policy was the rehabilitation of Nazism. One example of this was Winston Churchill's secret plan known as "Operation Unthinkable," which proposed the rearming of 100,000 German Nazi soldiers to join with American and British forces to unleash a surprise attack on the war-weary Soviets.[75] Fortunately, this plan never went into effect, but in 1949, the U.S. recruited several former Nazi officers and collaborators to join NATO, an expansive military alliance created to "send a message" to the Soviet Union.[76] These actions demonstrate that the Western imperialist powers were willing to align themselves with Nazi forces to defeat communism — a pattern which continues up to the present in Ukraine.[77]

The collapse of the Soviet Union in 1991 did not reflect the democratic will of its peoples, but rather the success of a counter-revolution orchestrated through force, deception, and foreign-backed elites. In March 1991, a referendum was held across the socialist republics asking whether the union should be preserved. Despite years of siege by the Western imperial powers, over 75% of voters supported preserving the Soviet Union.[78] This democratic mandate was ignored. Instead, Western-aligned forces moved ahead with dismantling the Soviet Union, culminating in Boris Yeltsin's illegal seizure of power and the violent shelling of the Russian parliament.[79]

The illegal dismantling of the Soviet Union led to numerous problems. First, Russia and the former Soviet republics were subjected to neocolonial pillaging. Under the guidance of Western financial institutions, "shock therapy" was imposed: state assets were forcibly privatized, social protections dismantled,

---

73. Ibid, 27.

74. William Blum, *Killing Hope: US Military and CIA Interventions Since World War II* (New York: Bloomsbury Academic, 2022).

75. Martin McCauley, *Stalin and Stalinism*, 8.

76. Jussi Hanhimäki and Odd Arne Westad, *The Cold War*, 105.

77. Artin Dersimonian, "US Lifts Ban on Neo-Nazi Linked Azov Brigade in Ukraine: Easing the Restrictions Shows How Desperate the Battlefield Situation Has Become," *Responsible Statecraft* (June 11, 2024): https://responsiblestatecraft.org/azov-ban-lifted/

78. Midwestern Marx, "Russian Nostalgia for Socialism," *YouTube* (September 14, 2023): https://www.youtube.com/watch?v=rR2karpqCk4

79. Michael Parenti, *Blackshirts and Reds: Rational Fascism and the Overthrow of Communism* (San Francisco: City Lights Books, 1997), 89-90.

and entire economies opened to exploitation by foreign capital.[80] U.S. corporations and oligarchs profited, while the people suffered. Russia's GDP collapsed, life expectancy declined, and a once-industrial superpower was reduced to a playground for foreign finance. Prostitution, organized crime, and human trafficking flourished.[81] This was not a transition to freedom, but a violent recolonization of a socialist civilization.

Second, NATO encirclement continued unabated, despite U.S. promises to Soviet leaders that NATO would not expand "one inch east" of Germany.[82] NATO launched an aggressive expansion campaign, incorporating 14 new member states and building military infrastructure directly on Russia's borders. Western media dismissed Moscow's concerns as irrational "paranoia," ignoring the very real historical trauma of repeated Western invasions.[83] These moves were calculated acts of geopolitical aggression aimed at weakening and encircling Russia.

Third, the Soviet Union was historically a diverse, multicultural country which was home to over 125 different national groups.[84] The collapse of the Soviet Union presented a unique problem in that it left large groups of national minorities stranded in the newly created independent republics. This became an issue today in Ukraine, as roughly 20% of Ukraine's population are ethnic Russians, and many more speak Russian as their first language.[85] The regions of Crimea and the Donbas in particular have deep historical, cultural, and familial ties to Russia.[86] The status of the Russian national minority inside of Ukraine is a crucial issue in the SMO.

It is in this context that we must understand the West's role in deliberately destabilizing Ukraine and backing a coup d'état in 2014.[87] The so-called

---

80. Thompson, *Russia and the Soviet Union,* 304.

81. Michael Parenti, *Blackshirts and Reds*, 105–120

82. Midwestern Marx, "Russia, Ukraine, and US Imperialism," *YouTube* (January 27, 2022): https://www.youtube.com/watch?v=qqUVGTCuBfg

83. Dmitri Alperovitch, "Foreign Affairs: The Dangers of Putin's Paranoia," *Silverado Policy Accelerator* (March 18, 2022): https://silverado.org/reports-and-publications/foreign-affairs-the-dangers-of-putin-s-paranoia/

84. Thompson, *Russia and the Soviet Union,* 5.

85. Sarah Coolican, "The Russian Diaspora in the Baltic States: The Trojan Horse That Never Was," *LSE IDEAS Strategic Update* (December 2021).

86. The Praxis Report, "The Truth about the Ukraine Crisis: Russia, NATO, and US Imperialism," *YouTube* (February 28, 2022): https://www.youtube.com/watch?v=7BaECvBA0IY

87. Midwestern Marx, "A Marxist Analysis of the War in Ukraine," *YouTube* (May 13, 2022): https://www.youtube.com/watch?v=g9rHjlOtH2A

Maidan uprising was not an organic democratic revolution, but a U.S.-sponsored regime change operation. Leaked phone calls revealed U.S. diplomat Victoria Nuland hand-picking Ukraine's post-coup leadership, while fascist militias such as Right Sector, Svoboda, and the Azov Battalion carried out the violent street campaigns that toppled President Viktor Yanukovych.[88]

After the coup, the new regime banned opposition parties, shut down independent media, and passed laws restricting the Russian language and culture.[89] The Ukrainian state embraced World War II-era Nazi collaborators as national heroes — most notably Stepan Bandera, a genocidal fascist whose followers aided in pogroms, ethnic cleansing, and Nazi war crimes.[90] Today, streets, holidays, and statues glorify Bandera's legacy, while openly fascist elements are integrated into Ukraine's military.[91] Indeed, this is part of a long legacy of Ukrainian support for fascism. According to historian John M. Thompson, during WWII "when the Nazi forces first entered Russia, many people, *particularly Ukrainians*, welcomed the Germans because they resented Communist rule."[92]

Crimea's decision to secede and rejoin the Russian Federation must be understood in this context. In March 2014, after the Maidan coup and amid rising fears of fascist repression, Crimea held a referendum in which 96% voted to rejoin Russia.[93] The Donetsk and Luhansk regions followed suit, declaring independence and resisting Ukraine's attempts to reassert control. In the civil war that followed in the Donbas from 2014 to 2022, fascist Ukrainian militias have killed over 14,000 people, displaced millions, and devastated

---

88. Thomas I. Palley, "The War in Ukraine — A History: How the U.S. Exploited Fractures in the Post-Soviet Order," *Monthly Review* (June 1, 2025): https://monthlyreview.org/2025/06/01/the-war-in-ukraine-a-history/

89. Emily Feng, "Zelenskyy Has Consolidated Ukraine's TV Outlets and Dissolved Rival Political Parties," *NPR* (July 8, 2022): https://www.npr.org/2022/07/08/1110577439/zelenskyy-has-consolidated-ukraines-tv-outlets-and-dissolved-rival-political-par

90. Paul H. Rosenberg, "Seven Decades of Nazi Collaboration: America's Dirty Little Ukraine Secret," *The Nation* (March 28, 2014): https://www.thenation.com/article/archive/seven-decades-nazi-collaboration-americas-dirty-little-ukraine-secret/

91. Maxim Goldarb, "Ukrainian Government Spends Millions on Monuments and Streets to Honor Nazi Collaborators and Neofascists," *World Socialist Web Site* (March 8, 2023): https://www.wsws.org/en/articles/2023/03/08/wdtz-m08.html

92. Thompson, *Russia and the Soviet Union,* 236.

93. BBC News, "Crimea Referendum: Voters 'Back Russia Union,' " *BBC* (March 16, 2014): https://www.bbc.com/news/world-europe-26606097

infrastructure.[94] Residential areas, schools, and hospitals were shelled, while the West continued to arm and train Ukrainian forces.[95]

Russia's SMO, launched in 2022, must be viewed as a response to this deteriorating security environment — not as an "unprovoked invasion," but as a strategic counteroffensive.[96] Its stated goals of demilitarization and denazification are material necessities, given Ukraine's inundation with NATO weaponry and fascist paramilitaries.[97] Russia had sought a peaceful diplomatic settlement for years, but this was repeatedly sabotaged by the West. A NATO-aligned Ukraine, armed with U.S. weapons and governed by a regime hostile to Russia's very existence, posed an intolerable threat to regional stability and Russia's national survival.[98]

What is the West's goal here? Why expand NATO to Russia's borders using fascist Ukrainian forces as a proxy? There are three answers here. First, as we have seen from this brief historical analysis, Russia has been invaded multiple times in the past two centuries by Western powers, who desire to gain control over Russia's rich mineral resources. The West's goal today is no different. The Russian Federation is a major exporter of energy resources, producing 40% of the European Union's natural gas and 12% of the world's oil.[99] As a result, the U.S. sees Russia as a vital landmass with a vast array of riches to be plundered by Western multinational corporations.[100]

Second, the U.S. is greatly resentful of Russia's alliances with colonized and oppressed nations across the globe who are targeted by the West for regime change. Russia provides political, economic, diplomatic, and military support

---

94. Midwestern Marx, "A Marxist Analysis of the War in Ukraine"

95. RT News, "Ukraine Committed 'Genocide' in Donbass – Putin," *RT* (January 26, 2024): https://www.rt.com/russia/591346-ukraine-genocide-donbass-putin/

96. Jeffrey D. Sachs, "The War in Ukraine Was Not 'Unprovoked,' " *The Jordan Times* (May 20, 2023): https://jordantimes.com/opinion/jeffrey-d-sachs/war-ukraine-was-not-%E2%80%98unprovoked%E2%80%99

97. RT News, "Putin Slams 'Neo-Nazi' Ukrainians for Demolishing Soviet WWII Monuments," *RT* (May 21, 2025): https://www.rt.com/russia/617945-putin-neo-nazi-idiots/

98. Paweł Wargan, "NATO and the Long War on the Third World," *Monthly Review* (January 1, 2023): https://monthlyreview.org/2023/01/01/nato-and-the-long-war-on-the-third-world/

99. Directorate-General for Communication, "Roadmap to Fully End EU Dependency on Russian Energy," *European Commission* (May 6, 2025): https://commission.europa.eu/news-and-media/news/roadmap-fully-end-eu-dependency-russian-energy-2025-05-06_en

100. Gabriel Black, "Critical Resources, Imperialism and the War Against Russia," *World Socialist Web Site* (May 27, 2022): https://www.wsws.org/en/articles/2022/05/28/mine-m28.html

for countries such as Iran and Venezuela that are under siege by the West.[101] This reflects a growing material alignment between Eurasia and the Global South, as well as between the Russian Federation and socialist states. For example, Russia has a robust partnership with the DPRK.[102] And relations between Russia and China have reached an unprecedented level of coordination and support.[103]

Finally, the U.S. sees Russia's large population and vast landmass as an obstacle to its ability to bully Russia to a subservient position. As a result, the goal of the U.S. is to balkanize the Russian Federation — that is, to break it up into smaller pieces and reduce it to semi-colonial status.[104] This will inevitably lead to chaos,instability, and war, and would transform Russia into a vassal state of the U.S. Empire. Joe Biden even acknowledged that the West's goal was to carry out regime change in Russia, declaring that Putin cannot be allowed to remain in power.[105]

In light of the West's stated goal to destroy, colonize, and plunder the Russian Federation, the SMO represents, at its core, a defensive stand against the expansion of Western imperialism into the former Soviet space and the ongoing campaign to reduce Russia to a vassal state.

## The Both-Sides Rhetoric of U.S. Socialist Parties

The public response to Russia's SMO in the Western world has been shaped by a concerted campaign of anti-Russian propaganda not seen since the Cold War. A recent Gallup poll revealed widespread distrust of Russia among the U.S.

---

101. Parisa Hafezi, John Irish, Tom Balmforth, and Jonathan Landay, "Exclusive: Iran Sends Russia Hundreds of Ballistic Missiles," *Reuters* (February 21, 2024): https://www.reuters.com/world/iran-sends-russia-hundreds-ballistic-missiles-sources-say-2024-02-21/

102. RT News, "North Korea Reiterates 'Unconditional' Support for Russia," *RT* (June 5, 2025): https://www.rt.com/russia/618673-north-korea-reiterates-unconditional-support-for-russia/

103. Clara Fong and Will Merrow, "Where the China-Russia Partnership Is Headed in Seven Charts and Maps," *Council on Foreign Relations* (December 12, 2024): https://www.cfr.org/article/where-china-russia-partnership-headed-seven-charts-and-maps

104. U.S. Helsinki Commission, "Decolonizing Russia: A Moral and Strategic Imperative," *Commission on Security and Cooperation in Europe* (June 23, 2022): https://www.csce.gov/press-releases/decolonization-of-russia-to-be-discussed-at-upcoming-helsinki-commission-briefing/

105. Deepa Shivaram and Avie Schneider, "Biden Says of Putin: 'For God's Sake, This Man Cannot Remain in Power,' " *NPR* (March 26, 2022): https://www.npr.org/2022/03/26/1089014039/biden-says-of-putin-for-gods-sake-this-man-cannot-remain-in-power

populace, with 79% of Democrats believing the West has not provided *enough* military support to Ukraine. Among Democratic voters, there is also broad support for prolonging the war to ensure a Ukrainian victory — revealing just how effectively the Democratic Party has conditioned its base to see Russia as an existential threat.

So-called left-wing intellectuals reflect and reinforce these views. Noam Chomsky, long celebrated as a critic of U.S. foreign policy, has joined the chorus labeling Russia's actions as "criminal aggression" and advocating sanctions and military support for Ukraine.[106] Similarly, Chris Hedges has uncritically repeated Western talking points, framing the conflict as a case of "Putin's revanchism" — a return to Cold War-era tropes that paint Russia as an expansionist threat, rather than acknowledging the decades-long project of NATO encirclement.[107]

In this climate of liberal Russophobia, it is hardly surprising that most U.S. socialist organizations have embraced both-sidesism. Rather than taking a clear anti-imperialist position, they equivocate — condemning both Russia and NATO, as if the two are moral equivalents. Most of these organizations function as appendages of the Democratic Party, framing their politics around "lesser evilism" and electoral campaigns aimed at reforming capitalism from within. Their positions on the SMO reveal not principled anti-imperialism, but the same cowardly both-sidesism that has plagued the U.S. left for generations.

In the sections that follow, I will provide a brief review and commentary on the statements of three key U.S. socialist organizations — DSA, Communist Party USA (CPUSA), and the Party for Socialism and Liberation (PSL) — illustrating the extent of their capitulation to both-sidesism in relation to Russia's SMO.

## Democratic Socialists of America

106. Noam Chomsky and C.J. Polychroniou, "Chomsky: Our Priority on Ukraine Should Be Saving Lives, Not Punishing Russia," *Truthout* (March 4, 2022): https://truthout.org/articles/chomsky-our-priority-on-ukraine-should-be-saving-lives-not-punishing-russia/

107. Edward J. Curtin, "The Subtleties of Anti-Russia Leftist Rhetoric," *The Greanville Post* (May 14, 2022): https://www.greanvillepost.com/2022/05/14/the-subtleties-of-anti-russia-leftist-rhetoric/

The DSA offers a textbook case of both-sidesism in their February 26, 2022 statement, "*On Russia's Invasion of Ukraine*."[108] The statement accuses Russia of "illegal acts," "extreme and asymmetrical escalation," and of "threatening the livelihoods and well-being of working-class peoples in Ukraine, Russia, and across the region." Nowhere is there any serious attempt at historical-materialist analysis of the conflict's origins.

While the DSA pays token lip service to opposing NATO and "imperialist expansionism," these references are vague and depoliticized. The statement fails to mention the 2014 U.S.-backed coup that overthrew Ukraine's elected government, the subsequent civil war in Donbas, or the Ukrainian state's eight-year campaign of violence against its Russian-speaking population. Most damningly, the statement opens by *condemning Russia* — not the decades-long project of NATO expansion and encirclement pursued by the West.

Rather than grounding its position in materialist analysis, the DSA appeals to abstract moralism and liberal universals. It calls for solidarity with "the working classes of Ukraine and Russia" and with "antiwar protestors in both countries." This creates a false equivalence between Russian workers defending their borders and ethnic kin, and Ukrainian workers conscripted to uphold a NATO-armed, fascist-inflected client regime. By framing both sides as victims of war — without identifying the primary aggressor — the DSA reveals its true function: to channel left-wing energy into safe, respectable opposition that ultimately reinforces U.S. hegemony.

This position is not an accident — it is the ideological legacy of the DSA's Shachtmanite origins. Like their forebears, the DSA remains committed to a version of socialism that rejects actually existing struggles against empire in favor of abstract slogans and selective outrage. Their statement on the SMO is not merely inadequate — it is a betrayal of internationalism and an abdication of Marxism in favor of the safe performative neutrality of both-sidesism.

## The Communist Party USA

On the one hand, the CPUSA's March 24, 2022 statement on the Ukraine war presents a more nuanced view than that of the DSA, acknowledging NATO

108. Democratic Socialists of America, "On Russia's Invasion of Ukraine," *DSA National Political Committee* (February 26, 2022): https://www.dsausa.org/statements/on-russias-invasion-of-ukraine/

expansion, the 2014 U.S.-backed coup in Ukraine, and the historical aggression of Western imperialism.[109] However, beneath this more sophisticated language lies the same fundamental error: a retreat from principled anti-imperialism into both-sidesism. While CPUSA critiques imperialism, it ultimately centers its politics on respectability, class collaboration, and liberal pacifism.

In its official statements, the CPUSA labels Russia's actions "wrong," "a violation of international law," and insists "war between states is never an acceptable solution." This line — while cloaked in the language of peace—is, in fact, a rejection of dialectical analysis. Marxists do not oppose all wars between states. We distinguish between imperialist wars of conquest and defensive wars against encirclement and subjugation. The CPUSA's framing erases that distinction, reducing the conflict to a tragic misunderstanding in which both sides share equal blame.

Nonetheless, the CPUSA goes further than the DSA did in condemning U.S. imperialism and providing an analysis of the roots of the conflict. However, CPUSA's failure lies not in what it acknowledges, but in what it refuses to conclude. If the war is the product of decades of NATO aggression, fascist resurgence in Ukraine, and the slaughter of Russian-speaking civilians in the Donbas, then why does the CPUSA still insist on condemning Russia's military intervention? Their conclusion — that both Russia and the U.S. are equally responsible — contradicts their own analysis. Instead of defending Russia's right to act against fascist forces and imperialist encirclement, CPUSA condemns both sides and issues a pacifist call: "No war on Ukraine, No war on Russia, No war period!"

In the end, CPUSA's position is one of defensive posturing and political timidity. It recognizes the imperialist roots of the war but refuses to support the forces fighting back. It names fascism in Ukraine but refuses to endorse the denazification campaign. It names NATO's aggression but calls Russia "wrong." By refusing to stand in active solidarity with Russia's fight against NATO, the CPUSA obscures the actual battle lines of contemporary anti-imperialism.

---

109. Communist Party USA, "The Communist Party's Position on Russia's War in Ukraine," *CPUSA* (March 24, 2022): https://www.cpusa.org/article/the-communist-partys-position-on-russias-war-in-ukraine/

## Party for Socialism and Liberation

The PSL issued a statement on February 24, 2022, that attempted to balance condemnation of Russia with a recognition of U.S. imperialism's role in provoking the conflict.[110] To its credit, the PSL's statement rightly issues its "strongest condemnation" not against Russia, but against the United States and NATO, whom it correctly identifies as the principal aggressors. PSL outlines the decades-long campaign of encirclement, NATO expansion, and U.S. involvement in the 2014 coup in Ukraine. In doing so, it demonstrates far more theoretical rigor than groups like DSA or CPUSA. However, despite these strengths, the PSL ultimately fails to follow through on its own analysis — collapsing back into both-sidesism and compromising its anti-imperialist position.

Rather than embracing the material reality that Russia's SMO marks a decisive blow against U.S. unipolarity and the deepening of the multipolar world order, the PSL reverts to liberal moralism. The war is described as a *"preventable tragedy,"* a phrase that reduces the conflict to the realm of unfortunate events and shared mistakes. This language ignores the necessity of resistance in a world where NATO expansion leaves no peaceful options. By condemning *both* Russia and the U.S., the PSL effectively erases the asymmetry of the conflict — treating the imperialist bloc and the semi-peripheral state resisting it as moral equals.

PSL's criticism of Putin reflects this same confusion. It accuses him of "Great Russian chauvinism" and suggests that Russia seeks to dominate Ukraine, despite Russia's stated goal of preserving Ukrainian sovereignty on the condition that it remain neutral and outside NATO. Furthermore, the PSL statement bizarrely questions the meaning of Russia's aims to "demilitarize" and "de-Nazify" Ukraine, as if these are obscure or unjustified goals. In doing so, the PSL downplays the clear and well-documented reality of fascist militias like Azov and Aidar, which have been integrated into Ukraine's armed forces and used to repress ethnic Russians, communists, and labor unions.

While the PSL does acknowledge "considerable Nazi influence" in Ukraine's police and military, it simultaneously claims that the influence of these fascist groups have "waned considerably" — a contradictory and misleading

---

110. Party for Socialism and Liberation, "PSL Statement on Russia's Military Intervention in Ukraine," *Liberation News* (February 24, 2022): https://liberationnews.org/psl-statement-on-russias-military-intervention-in-ukraine/

concession to Western propaganda. Fascism in Ukraine is not a marginal or historical artifact; it is structurally embedded within the state's security apparatus and has played a key role in the war against Russia. To suggest that fascism lacks "decisive influence" ignores the role these forces play as enforcers of NATO's proxy war and capitalist recolonization. In the end, the PSL's position — though overall more coherent than DSA or CPUSA — remains weakened by its both-sides equivocation, hesitant to take a firm stand with those resisting imperialist domination.

## Conclusion

An examination of the official statements from three major U.S. socialist parties reveals that their positions on Russia's SMO are shaped by the shallow, liberal-moralist politics of both-sidesism. Despite varying in tone and emphasis, each ultimately fails to break from the ideological framework of U.S. imperialism. But is there a political party in the United States that has taken a clear, principled stand — one that affirms multipolarity and offers a genuine Marxist-Leninist, anti-imperialist analysis of the conflict? The answer is yes: the ACP stands virtually alone in this regard.

Although the ACP was not yet formally established at the time Russia launched the SMO, its position on the conflict can be clearly inferred from its party program, public speeches by its leadership, and articles published in affiliated journals. We begin by examining the key statements found in the ACP's official program.

In its official program, the ACP includes a section titled, "Dismantling of U.S. Imperialism" which outlines a clear anti-imperialist orientation.[111] The platform calls for the "unconditional destruction of NATO," affirms the right of all nations to self-determination, and demands the complete abolition of the military-industrial complex and all institutions that serve imperialist interests. While the statement does not explicitly mention Russia or the SMO, it advocates for a new foreign policy rooted in multipolarity, emphasizing "sovereign economic agreements and win-win cooperation."

In addition to the party program, several statements from ACP leaders offer support for Russia's SMO. Haz Al-Din, the Executive Chairman of the ACP,

111. American Communist Party, *Program of the American Communist Party*, adopted October 12, 2024, https://acp.us/program

has praised Russia and China as "two states that stand as the most powerful and effective opponents of the global hegemony."[112] In a 2023 video, Al-Din offered a detailed analysis of the SMO, arguing that Russia's infrastructure and productive base remain rooted in Soviet-era development despite being colonized by Western finance capital after the fall of the Soviet Union.[113] Today, key sectors of the Russian economy — such as oil production — remain centrally planned and state-owned, with the private sector largely subordinate to state control. Furthermore, Al-Din argues that the SMO represents a rupture with the post-Soviet economic order, opening a path for communist revival in Russia.

Christopher Helali, the International Secretary of the ACP, in a speech delivered at the first party congress, framed the Russian SMO as an act of self-defense against the "US-EU-NATO imperialist axis."[114] Helali situates Russia in the context of the growing multipolar world as part of an "Axis of Resistance" that also includes China, DPRK, Iran, Yemen, Venezuela, Nicaragua, Cuba and other socialist and anti-imperialist countries. For Helali, the root cause of the SMO was "western backed fascist juntas unleashed a brutal war on the people of the Donbass." Therefore, Russia's campaign of denazification can be understood as continuation of the Great Patriotic War that the Soviet Union fought against Nazi Germany. Far from being two sides of an inter-imperialist rivalry, the Axis of Resistance plays a progressive role in bringing about a new multipolar world against the US-EU-NATO imperialist axis.[115]

In a political landscape dominated by leftist neutrality and moral equivocation, the ACP stands out as the most theoretically advanced and politically grounded socialist party in the U.S. By rejecting the bankrupt doctrine of both-sidesism — a position rooted in Trotskyism and Cold War anti-communism — the ACP affirms that the Russian SMO is a progressive struggle against U.S. imperialism. While other leftist organizations condemn both sides and parrot imperialist talking points, the ACP upholds a clear Marxist-Leninist line rooted

112. Haz Al-Din, "Alexander Kojeve and the Russian Special Military Operation," *Red America: Journal of the American Communist Party*, no. 3 (January 2025): 5.

113. Infrared, "Russia Is Still Fighting for Communism," *YouTube* (May 16, 2023): https://www.youtube.com/watch?v=sK6RLP7i5-w

114. Christopher Helali, "Confronting Imperialism: Speech at the 1st National Convention of ACP," *Red America: Journal of the American Communist Party*, no. 2 (December 2024): 29–36.

115. Christopher Helali, "Imperialism, Multipolarity, and the International Communist Movement," *Red America: Journal of the American Communist Party*, no. 1 (November 2024): 40.

in anti-imperialism. In doing so, is the leading political force committed to the defeat of U.S. imperialism and the revival of revolutionary class struggle.

# RED AMERICA

is a publication of the American Communist Party.

Issue #009
July 2025

---

Subscription information

redamerica.acp.us